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NEWS SUMMARY

GENERAL

Times moves closer to peace

Another obstacle to republication of Times Newspapers was removed yesterday when the company agreed in principle to the reappearance of its titles with some industrial relations issues outstanding.

After a meeting with chapel representatives Mr. Barry Fitzpatrick, chairman of the Times Newspapers joint negotiating committee, predicted that re-publication would take place in a matter of weeks rather than months.

Since the suspension of publication seven months ago Times Newspapers had insisted that it must obtain agreement on disputes procedures, new manning levels and other improvements which it is seeking with all chapels (office union sections) before re-publication. Back Page

Vietnam move

The European Commission urged the EEC to cut off its food aid programme to Vietnam and to step up emergency relief for the thousands of Vietnamese refugees.

Belfast chaos

Bomb hoaxes and bus hijackings brought Belfast to a standstill. A group calling itself the Loyalist Ex-prisoners Association claimed responsibility.

More bombings

Two bombs exploded on the Costa del Sol holiday coast as the Basque separatist organisation ETA stepped up its campaign to sabotage the Spanish tourist industry. Page 2

Davies dies

John Davies, a former Conservative Cabinet Minister who was made a life peer in last month's honours list, died in St. Thomas's Hospital, London, aged 63. Page 8

Pakistan incident

Peter Blake, Minister of State at the Foreign Office, summoned the Pakistan Ambassador to express the Government's disquiet over the recent incident involving Financial Times correspondent Chris Sherwell in Islamabad.

Top seeds win

Defending champion Martina Navratilova and Chris Evert Lloyd, the second seed, will meet in the Wimbledon final. Miss Navratilova beat 16-year-old Tracy Austin 7—5, 6—1, and Mrs. Lloyd beat Evonne Cawley 6—3, 6—2. Page 6

Cricket finalists

Essex and Surrey will meet in the final of the Benson and Hedges Cup at Lord's. Essex (174 for 7) beat Yorkshire (173 for 9), and Surrey (166 for 8) defeated Derbyshire (160 all out).

Briefly . . .

Former detective sergeant, who retired from the Hong Kong police as a multi-millionaire, jailed for two years for corruption and fined £1.37m.

Milkman Alan Baker was killed in Hove, Sussex, when his float ran away and crushed him against a tree when he tried to stop it.

Financial Times

The price of the Financial Times, after having stood at 15p for just over 18 months, will rise to 20p from Monday. The costs of improving the quality of our coverage, the increases in newsprint costs since the beginning of 1978, with large further rises in the pipeline, and the accelerating rate of inflation generally mean that it is no longer possible to hold down the price to the level of 18 months ago.

BUSINESS

Gold at new high; Gilts mixed

● EQUITIES advanced initially, but the FT Ordinary index closed 5.8 down at 472.9.

● GILTS closed mixed and the Government Securities index put on 0.25 to 73.42.

● GOLD rose to a record level in London, rising $1¾ to

$283¾. The U.S. market was closed for Independence Day.

● STERLING rose 2¼c to $2.2255 and its improvement was reflected in its trade-weighted average which rose to 70.9 (70.4), its best level since February 1976. The dollar lost ground and its index slipped to 84.6 (85.1).

● NEW YORK Federal Reserve Bank and the Bundesbank intervened to support the dollar against the D-mark in the past three weeks to the tune of more than $2.5bn. Page 2

● LEGAL AND GENERAL reports a 25 per cent drop to £47m in new life and pension annual premiums for the first half of the year. Page 26

● LLOYD'S underwriters are to contest the $560m legal action launched against them by Federal Leasing of the U.S., arising from insurance claims on computer leasing insurance policies. Page 6

● HOUSES PRICES in Britain rose by an average of 8 per cent between April and June, according to the latest figures from the Nationwide Building Society. Page 7

ENERGY

● NCB chairman, Sir Derek Ezra, has called for the oil-from-coal programme to be speeded up, and told miners at their annual conference that the board is not about to embark on a new round of pit closures. Back Page, Editorial Comment, Page 22 P

● WEST GERMAN Chancellor has outlined a wide-ranging energy programme focussing on increased coal production and the careful use of nuclear power. Back Page

● NAPTHA price has risen by nearly $30 a tonne (about 9 per cent) on the spot market, following the increase in world oil prices and the decision by the Exxon group to cut off naptha supplies to Jaan. Back Page

● WHESSOE has won an £80m order for designing and making components for Britain's next two nuclear power stations at Heysham and Torness. Page 6

● BP had to pay an unexpected £54m to the Nigerian tax authorities following its financial reorganisation within the UK in 1972. Page 7

COMPANIES

● SHAW CARPETS pretax profits for the year to April 27 rose almost £1m to £1.65m on sales of £30.83m (£25.05m). Page 24

● JOHN WADDINGTON pretax profits for the year to April 1 fell from £2.56m to £1.68 on turnover up from £41.38m to £46.01m. Page 24

● BAT Industries £25m purchase of Unilever's MacMarkets chain is likely to lead to the loss of several hundred jobs. Page 27

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 12pc 2013-17	£100¼	+ ¼
Assed. Leisure	99	+ 3½
Barr and WAT A	119	+ 5
Burnett Hallamshr.	400	+ 17
Clark (Matthew)	140	+ 10
Flight Refuelling	183	+ 14
Gough Bros.	127	+ 56
Gough Cooper	86	+ 4
Henderson-Kenton	116	+ 8
Invergordon Dist.	181	+ 5
Shaw Carpets	56	+ 5
Toothill (R. W.)	55	+ 5
UK Properties	32½	+ 3
Ayer Hitam	280	+ 15

FALLS

Excheq. 12¾pc 81	£101¼	— ½
Allied Irish Banks	175	— 10
BAT Inds.	265	— 10
GEC	358	— 10
Ibstock Johnsen	82	— 8
ICI	337	— 8
Ladbroke	176	— 14
Rowntree Mack'tosh	178	— 6
Stylo Shoes	128	— 13
Unilever	520	— 24
Waddington (J.)	156	— 6
BP	1236	— 24
Shell Transport	354	— 24
Central Pacific	800	— 40
Charter Consd.	140	— 6
Vaal Reefs	£15¼	— ¼

British Gas 'cannot meet demand' in wake of oil crisis

BY SUE CAMERON

The British Gas Corporation said yesterday that it was unable to meet demand for gas, which has trebled in many parts of Britain in the wake of the world oil crisis.

Sir Denis Rooke, the corporation chairman, said there had been an unprecedented increase in demand for gas from the domestic, commercial and industrial sectors. This was caused by higher oil prices and loss of confidence in oil as a fuel likely to be available on reasonably secure terms.

He stressed that there was "no way the gas industry can take over the whole of the load formerly borne by oil."

The corporation wanted to ensure long-term availability of gas, and to use it for the purposes to which it was most suited.

These aims were "clearly not consistent with an attempt almost to treble our existing load."

Last year gas provided 26 per cent of industry's total heating requirements, and oil 40 per cent.

This year British Gas will provide 4.5bn cu ft of gas a day, and plans to increase this to 5.5bn cu ft by the mid-1980s.

It said that it was optimistic about "further large finds of gas" in British waters. But it could plan only on the basis of known and contracted supplies.

Mr. Reg Parkes, chairman of the West Midlands regional Confederation of British Industry, said that many companies had decided to switch to gas to heat their plant and machinery because of the cut in oil supplies.

He said that some companies had bought the necessary equipment for a switchover to gas before being told that no gas supplies would be made available to them.

Mr. Parkes added that at least two companies in the West Midlands could not start new operations next year because they could obtain neither gas nor oil to heat plants.

The West Midlands gas authorities said last night that demand for gas there had increased by four or five times since the start of the oil crisis.

Requests for extra gas were being dealt with "as quickly and as fairly as possible." But it was impossible for the gas industry to meet the oil shortfall "at the drop of a hat."

Last year about 53 per cent of the corporation's gas went to commercial and industrial consumers, and the other 47 per cent to domestic use.

Most gas comes at present from the fields in the southern basin of the North Sea, though the Frigg Field in the northern basin is building up to peak production. Frigg will produce between 1.5bn and 1.6bn cubic feet of gas a day.

The Brent Field is expected to produce about 500m cu ft a day, starting production in the mid-1980s, as is the Morecambe Field in the Irish Sea.

British Gas said it was trying to bring forward some plans for increasing production, but that this could be done only to a limited extent.

UK opens way to EEC agreement on steel

BY GILES MERRITT IN BRUSSELS

BRITAIN HAS reversed its policy and so opened the way for agreement by the Common Market on a code governing national Governments' aid to their steel industries. As a result, EEC Foreign Ministers are likely to adopt the code at their next council meeting in Brussels on July 23.

Steel industry subsidies are the first major item of EEC industrial policy that the Conservative Government has had to consider. Its decision to accept the steel code in principle, reached in talks with Brussels Commission experts this week, is seen as a significant pointer to future relations between Britain and the rest of the Common Market.

The code would remove unfair trading advantages by controlling subsidies. It would place strict limits on specific financial aids to steel producers, and give the Brussels Commission authority to examine and reject all non-specific subsidies, such as regional aids.

The idea of a code was first advanced in May, 1978, but objections by the UK and Italy delayed agreement and turned steel aids into a divisive issue in the EEC.

At the end of last year West Germany threatened to boycott the Davignon Plan for supporting restructuring of EEC steel industries between 1979 and 1983 unless the code was adopted. Earlier this year the European Commission indicated that it would take Britain before the European Court of Justice if it refused to accept the new regulations.

Although British officials stress that legal queries over the code have yet to be settled, the British Government's decision to accept the need for steel aids discipline has confirmed expectations in Brussels that it intended to favour a more Community-minded approach

UK officials held talks with European Commission experts this week to re-examine the proposals under which the Commission would police steel aids.

Parallel discussions were held with Italian officials. Although Italy still has reservations on several aspects of the code, a general meeting of officials from all member-Governments is to be held in Brussels with the Commission on July 10 to reopen the question before the July 23 Council.

Early settlement of the steel aids wrangle is being emphasised by the Brussels Commission as crucial to the outcome of the Davignon restructuring programme.

SCHMIDT PRAISES MRS. THATCHER

MRS. Margaret Thatcher has received unusually fulsome public praise from Chancellor Helmut Schmidt of West Germany—an indication of the improvement in relations between the two governments since the Conservatives came to power.

Herr Schmidt told the Bundesag yesterday. He had been particularly impressed by the knowledge, authority and sense of responsibility which Mrs. Thatcher displayed at both in Strasbourg meeting of EEC heads of government and at the Tokyo Western economic summit conference.

Herr Schmidt had good personal relations with the former Labour Prime Minister, Mr. James Callaghan. But public praise of Britain or its leaders became as German dissatisfaction with Labour's policies towards the Common Market increased.

£40m aid likely for U.S. plant

BY JOHN ELLIOTT AND ROBIN REEVES

THE GOVERNMENT is expected to announce soon that it is to provide about £40m of State industrial aid to induce Dow Corning, a U.S. chemical company, to go ahead with a £134m silicone plant project in Barry, South Wales.

This will be one of the biggest industrial aid packages ever put together by the Department of Industry for a new investment and runs counter to the Government's policy of general opposition to the provision of such aid.

Sir Keith Joseph, Industry Secretary, is believed to have decided in principle that the project should go ahead because it is a commitment reached by the last government which was seeking approval for the aid from the European Commission in Brussels at the time of the general election.

The project has to be approved by Parliament because it involves selective aid of more than £5m. But it is unlikely to be submitted before the Government decides on what cuts to make in its regional policy budget later this month.

Future grants will be cut when the budget is reduced, but there will be transitional arrangements to provide for projects now in hand. This may mean that there will only be a marginal change to the Dow aid.

The announcement of the aid will be interpreted as an early sign that the Government has discovered that it cannot dismantle major planks of the industrial aid system built up by the last Government.

Sir Keith reluctantly accepts that such aid is needed to induce foreign companies to invest in the UK. He will continue to accept fresh applications after the batch inherited from the last Government has been processed.

Dow Corning's aid will be made up of about £25m in regional development grants which are paid automatically to projects in assisted areas, plus a further £12m to £15m under the Industry Department's selective investment scheme.

Awards can be made under this scheme for projects of

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Ministers to urge home loan delay

By Richard Evans Lobby Editor

SENIOR MINISTERS, concerned at the prospect of higher mortgages, are to make unofficial representations to the building societies to delay a politically damaging decision to increase mortgage rates to around 13 per cent.

Such an increase following the rise of Minimum Lending Rate to a near peak of 14 per cent would virtually wipe out for many house buyers the income tax cuts announced in the Budget.

Mrs. Margaret Thatcher called a meeting of senior ministers at 10 Downing Street yesterday to discuss the dilemma facing the Government, and it was agreed that there could be no question of a formal intervention or any artificial restraint on the building societies.

But Treasury and other Whitehall officials are expected to point out at today's meeting of the building societies' Joint Advisory Council that a better judgment on interest rate trends could be made in a month's time.

The Government's view remains that there is virtually no prospect of a drop in MLR before the building societies are due to reach their mortgage decision on Friday week.

Nothing will be done to interest rates structure that would be detrimental to a tight monetary policy and it is admitted that the only reason for reducing interest rates at this stage would be for political reasons, to head off a higher mortgage rate.

This could cast doubts on the Government's determination to stick by its monetary strategy.

Lifting the home loans rate from 11¾ per cent to 13 per cent would increase monthly payments on a standard 25-year £10,000 mortgage by £9.26 to £113.70.

Michael Cassell writes: Building society leaders will report on today's meeting of the advisory council, to the Building Societies Association policy committee next Thursday, the day before a decision on interest rates is due.

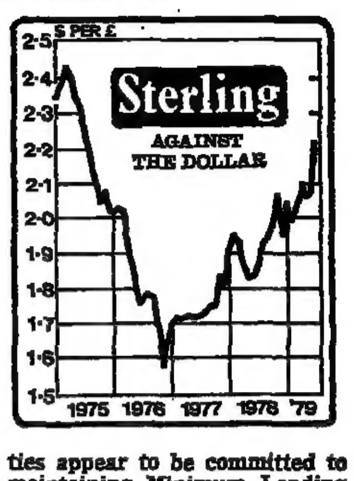
The societies' are particularly anxious not to make any rate adjustments which could almost at once require modification. Some societies believe any cuts in MLR would be minor and that the movement's rates are now so out of line that they must be raised.

The most likely eventual outcome of today's meeting is that the societies will be persuaded to delay any decision for at least a further month.

Pound's rise may ease controls soon

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A FURTHER relaxation of exchange controls on outward investment is likely to come much sooner than originally planned following the rise in the pound since the Budget.



The Bank of England has all along favoured further changes in addition to the major relaxation announced in the Budget. It now appears that senior Treasury ministers and officials have also been persuaded of the case for accelerating the dismantling of controls in view of the market reaction to the Budget.

Most of the preparatory work has already been done and an announcement could be made quickly. Further changes may not, however, significantly reduce the upward pressures on sterling.

There was strong demand for the pound again yesterday and the rate touched a peak of $2.2350 at one stage. There may have been some small-scale Bank of England intervention but a slight late decline in the rate was mainly the result of profit-taking. The pound closed 2¼ cents up on the day at $2.2255 for a rise of 8.4 cents in the last 10 days.

Sterling has appreciated by 2¼ per cent against the D-mark over the same period following a rise from DM 4.055 to DM 4.085 yesterday.

The trade-weighted index, measuring the value of sterling against a basket of other currencies, rose by 0.5 points to 70.9 after a day's high of 7.1. This represents an appreciation of 5.2 per cent in the three weeks since the Budget.

Some of yesterday's demand for the pound may have been on hopes of an early cut in interest rates. But the authorities appear to be committed to maintaining Minimum Lending Rate at 14 per cent for at least the next few weeks in spite of growing market speculation.

Their view remains that there are not yet any domestic monetary grounds for an early cut since there is no evidence so far to suggest any easing of the recent buoyancy of bank lending.

The gilt-edged market was showing signs of running out of steam yesterday after the recent activity. Early gains of a point in long-dated stock were limited to half a point by the close and short-dated stock ended half a point down.

There was still some overseas interest in the gilt-market but domestic profit-taking was reflected in only a 25p rise in the 1999 stock (the former long tap) to £19½ after an early gain of £1⅛. A further call of £25 per £100 nominal of stock is due tomorrow.

The sterling dilemma Page 2
Money markets Page 29
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Trade curb removed

BY NICHOLAS COLCHESTER

THE GOVERNMENT yesterday made good a Budget promise and announced that from today merchants resident in the UK will be able to use sterling without limit to finance third country trade.

Details of this specific relaxation of exchange controls are being issued by the Bank of England today.

The move goes only part of the way towards restoring the freedom to use sterling in foreign trade financing which was removed during the balance of payments crisis in November 1976. British banks and merchants were deprived of this right at that time to boost international demand for sterling by about £1bn as sterling debts were unwound.

The relaxation announced in the Budget, and confirmed yesterday, does not apply to banks. It was the expanding use of depreciating sterling by banks to finance trade deals between other countries which was particularly worrying the Government in 1976.

£ in New York

—	July 5	Previous
Spot	$2.2150-2140	$2.1840-1860
1 month	0.72-0.67 dis	0.75-0.70 dis
3 months	1.53-1.48 dis	1.69-1.64 dis
12 months	4.40-4.30 dis	4.95-4.90 dis

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Bundesbank and Fed spend $2.5 bn on dollar

BY DAVID MARSH

INTERVENTION BY the New York Federal Reserve Bank and the West German Bundesbank to support the dollar against the Deutsche Mark *over the past three* weeks is understood to have totalled more than $2.5bn. This has been the most intensive period of central bank support for the dollar since the U.S. announced its package to shore up the currency on November 1.

Concerted intervention by the two central banks, which was particularly heavy last week during the run-up to the Tokyo summit and the OPEC pricing meeting in Geneva, has reflected the resolve of both the U.S. and the German *authorities to prevent erratic* fluctuations in the dollar/Deutsche-Mark rate.

The Swiss National Bank, the Bank of Japan and the Bank of England have also been intervening fairly heavily to soften the dollar's decline. After six months of stability, the currency started to fall again in mid-June, as a result of renewed concern over inflation in the U.S. and its balance of payments performance.

Although the dollar was fixed yesterday in Frankfurt at a six-month low of DM1.8367, intervention has slackened this week as currency markets have quietened.

But the *rise* of the Deutsch-Mark has also aggravated strains within the European *Monetary* System, with the Dutch guilder, Danish kroner and Belgian franc now all very close to their lowest-permitted levels against the Deutch-Mark within the scheme.

The New York Fed lately has been intervening somewhat more actively than the Bundesbank, as pressure on the dollar has been more intense in New York than in Europe.

In a significant change from last year, when the Fed had to draw heavily on its swap lines with the Bundesbank to prop up the dollar, the U.S. authorities this time have funded their support action with their own large reserves of Deutsche-Marks. These have been built up through medium-term borrowing by the Treasury and Fed purchases of Deutsche-Marks on currency markets earlier this year.

U.S. swap debt to the Bundesbank, which stood at DM 12bn at the end of last year, was fully repaid in April. The swaps have not been reactivated since then.

The renewed burst of dollar support is in contrast to large dollar sales by the Fed and the Bundesbank—as well as both the Swiss and Japanese central banks—in the first five months this year.

Up to the end of May, the U.S. and German central banks had been intervening *heavily to prevent the dollar* rising too far above DM 1.90, a level which the Bundesbank in particular regarded as excessively high in view of the acceleration in the U.S. inflation rate.

Outflows from Germany caused *by* the dollar's strength amounted to some DM 23bn in the first five months of this year. The net fall in West German currency reserves during the period was *DM 16bn.*

Reflecting part of the intervention carried out at the end of last month, figures released yesterday by the Bundesbank showed Germany's net monetary reserves rose *by* DM 2.4bn to DM 89.3bn in the final week of June, taking the rise for the month to DM 4.8bn.

Earlier this week, the Swiss National Bank said its currency reserves rose by SwFr 4.5bn during the second half of June. During the month, the reserves of Japan rose *by $790m, and those of* the UK by $588m.

Mme. Simone Veil

Mme Veil replaced in French Cabinet

By Robert Mauthner in Paris

MME. SIMONE VEIL, who led the list of supporters of President Giscard d'Estaing to a resounding victory in the recent European elections, was yesterday replaced as Health Minister in the French Government by M. Jaques Barrot, previously Minister of Trades and Crafts.

Mme Veil's departure from the Government came as no surprise. After her election to the European Parliament in June, she made it clear that she would devote herself to her new task, and would be a candidate for the presidency of the European Assembly.

But her departure is widely regretted in France, where she has regularly topped the public opinion polls as the most popular politician.

Mme. Veil, a survivor of the Second World War Nazi concentration camps, owes her popularity not only to the fact that she is a woman, but also to her ardent advocacy of the controversial legislation on abortion and contraception which she steered through the National Assembly in the early days of M. Giscard d'Estaing's Presidency.

She has also endeared herself to the French people by her constant refusal to take part in the in-fighting so *beloved by French politicians*, and by her obvious sincerity.

Mme. Veil's record as a minister has been marred, however, by the crisis in the social security system, which faces a deficit of FFr 2.3bn (£250m) in 1979. Deficiencies in the medical standards of some French hospitals have also been the subject of sharp *criticism in recent months.*

Basques step up war of nerves in holiday areas

BY ROBERT GRAHAM IN MADRID

MILITANT Basque separatists stepped up their war of nerves in Spain's Mediterranean holiday resorts yesterday by exploding two more bombs and threatening more.

In the Basque country, itself, there were isolated incidents of violence including a bomb attack on a car showroom, the second in two days.

Bombs went off yesterday afternoon in the resort towns of Fuengirola and *Torremolinos* on the Costa del Sol. The political military wing of ETA, the Basque separatist group, political military wing of ETA, the Basque separatist group, claimed responsibility. The same group has admitted causing 11 explosions on the Costa del Sol in the past nine days.

ETA has threatened to extend the bombing campaign to the popular Costa Brava, north of Barcelona. The avowed aim of the bombing campaign is to draw *attention to the* lot of 100 ETA prisoners in jail at Soria, just outside the Basque region. The separatists say they are being kept under maximum security guard and are being treate ddifferently from other prisoners.

Police have set up road blocks along the coast but have failed to pick up any suspected bombers. In conjunction with local authorities the police are attempting to minimise the disturbance and are asking the public to co-operate. In particular they are drawing the public's attention to police warnings to leave an area immediately when asked to do so. So far *only two* people have been injured — they were Belgians who failed to heed a police warning. Officials say there is no sign of tourists leaving or of cancelled bookings.

The condition of Sr. Gabriel Cisneros, information secretary of the ruling Union of the Democratic Centre, who was shot in the *stomach in Madrid* on Tuesday night, was said yesterday to be improving.

Sr. Cisneros, Deputy for Soria, is the first MP to be attacked in the Basque campaign. Most observers are convinced that the shooting was the work of ETA and represented a further escalation of separatist tactics.

Sterling strength brings dilemma for UK

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BRITISH Government faces an acute, though familiar, dilemma over the exchange rate. Sterling has risen by more than 3½ per cent on average against other leading currencies in the last 10 days. Each day only underlines the potential conflict between the possible advantages of a lower pond for the competitive position of British goods, and the benefits of a higher rate in curbing inflation.

The extent and speed of the recent rise has led to increasing concern in British industry, *which is far from unanimous* on the issue, and to a further review of exchange control policy within Whitehall. Yet the dilemma is not new and was faced with different results two years ago.

The starting point was in March 1976 when some Treasury officials thought the pound, then in a range of $2.00 *to $2.05, was too high for the* competitive health of British industry. Consequently they sought to prevent the pound rising and, if possible, secure a small fall in the rate. This back-fired and the next seven months consisted of an unsuccessful series of attempts to check a decline down to below $1.60, coupled with a very large outflow *of currency*.

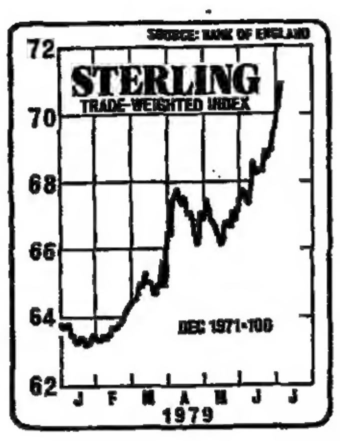
The pound rose sharply after January 1977, following the Government's agreement with the International Monetary Fund and the tight monetary and public spending squeeze. The recovery in overseas confidence was reflected partly in an increase in the official reserves as the Bank of England intervened and bought foreign currency in order to check the appreciation.

Initially the authorities were happy to see these inflows as they wanted to rebuild the official reserves, which had fallen to only just over $4bn by the end of December 1976. By April the total was $10bn thanks both to inflows and official borrowing. Moreover the inflows had generally not worked through to boost the *domestic money supply since* they had been largely matched by heavy sales of gilt-edged stock.

The position changed during the summerof 1977—partly because of the beginnings of the dollar crisis and partly because of an overseas reappraisal of the UK's financial position. The result was a big demand *for sterling and the authorities then* tried to prevent too large an appreciation on competitive grounds.

This was attempted partly via steady small reductions in Minimum Lending Rate—down to 5 per cent by mid-October 1977 from 15 per cent a year earlier. But this had almost no perceptible effect on the *demand for sterling.*

The Government also sought to hold down the rate through very heavy intervention—nearly $1.8bn in September and $3bn in October. Unlike earlier in 1977, the inflows began to have an appreciable effect on the money supply and were not fully offset by sales of gilt-edged stocks.



Consequently the Government gave up its attempt to hold down the pound at the end of October 1977 and gave priority to its monetary target ahead of the goals of stability and competitiveness.

The Government and many commentators have learnt several lessons from the 1976-77 episodes. Above all there has been a shift of objectives. The belief in the desirability of maintaining a *competitive pound* through depreciation has been severely shaken.

The benefits are now seen to be much more quickly eroded than they were after, say, the 1967 devaluation, by the impact of the rise in import costs on the domestic price level.

There is also a more fundamental view that devaluation is no real answer to Britain's underlyling economic problems which are much more to do with improving *productivity* and non-price competitiveness—in total what Sir Geoffrey Howe, the Chancellor of the Exchequer, likes to call the supply side of the economy.

Initially this change of attitude was reflected in a *preference* for a stable exchange rate as shown by the comments made by Mr. Denis Healey, the then Chancellor, during last year's negotiations over the European Monetary System.

There has now been a further shift in attitude in response to the sharp rise in the pound this year. The Conservative Government proclaims the virtues of freely floating exchange rates and of a strong currency.

In Sir Geoffrey's words "a *rising exchange rate also helps to* restrain the rise in domestic costs and to reduce the rate of inflation by lowering the cost of imported raw materials."

This is the path of the virtous circle—so successful in Switzerland and West Germany. The problem is that the UK is starting from within a vicious circle as its labour costs are at present *rising much more rapidly* than the international average. A commitment to a strong currency carries the danger that in the short-term as inflation is being squeezed out exports, profits and jobs may be threatened.

There is also the problem of how the *authorities* could react even if they wanted to check the rise in the rate. The current view is that a reduction in interest rates would be ineffective or rather that a large enough cut in Minimum Lending Rate to affect overseas interest would be incompatible with domestic monetary targets, especially curbing bank lending.

Similarly large-scale intervention is ruled out because of its possible effects on the sterling M3 target. The authorities were forced to stop intervening on a large scale in early April after inflows of $1bn in March. Very large intervention by the Swiss and West German central banks last year has had a smaller impact so far on their economies, partly because of structural differences. But the acceleration in monetary growth in both countries has probably contributed to the rise in their inflation rates, along with higher oil prices.

Measures such as a two-tier interest rate structure, or exchange controls on inward investment, are regarded as impracticable since they have been ineffective when applied overseas. This leaves the possibility of taking action which removes possible artificial props to the exchange rate such as the remaining exchange controls on outward investment in property and stocks shares.

Otherwise, apart from a change in fiscal policy, there is not much which can be done while also maintaining monetary and counter-inflation goals.

EEC may give Hanoi aid to boat people

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

THE European Commission proposed yesterday that the EEC should cut off its food aid programme to Vietnam and step up emergency relief for Vietnamese refugees who have been driven into surrounding Asian countries.

Permanent ambassadors of the Nine were discussing the Commission's proposals in Brussels yesterday. But diplomats here suggested that, because of their politically controversial nature, a final decision would probably have to await the next Council of Foreign Ministers.

The Vietnam food aid programme, worth 54m Units of Account (£33.6m) this year, was approved by the EEC Council of Ministers only two months ago. It comprises 86,000 tonnes of cereals, 15,000 tonnes of milk powder, and 4,000 tonnes of butter oil.

The Commission has recommended that, as a first step, the EEC supply to Vietnamese *refugees 8,000 tonnes of rice* and 1,500 tonnes of milk powder. The aid would be paid for from funds originally *set aside for Vietnam.*

These amounts are in line with estimates made by the UN High Commissioner for Refugees of the needs over the next three months of the roughly 300,000 Vietnamese who have fled to Hong Kong, Indonesia, Malaysia, Macao, the Philippines and Thailand.

The council is due to take place on July 23-24, immediately after the international conference on the Vietnam refugee problem to be held in Geneva. Without EEC Governments' approval, the Commission has the authority only to release 1,500 tonnes of milk powder to be distributed to the refugees.

Last month, when the EEC heads of government met in Strasbourg, they decided they should give a higher priority to the refugees from Vietnam but they left it to the Com*mission to work out the details.*

Irish banks to tighten credit

BY STEWART DALBY IN DUBLIN

IRISH BANK customers face an immediate tightening of *the* present credit squeeze. Bank managers throughout the country are being told to be tougher on applications for personal loans.

The move follows new figures from the central bank of Ireland showing that credit increased by 10.9 per cent in the first two months of the financial year which began at the end of February.

Following a lending explosion in 1978 which saw credit expand by 32 per cent in the year ended February, 1979, the central bank has asked banks to peg lending to an 18 per cent increase this year. If lending was to go on increasing at the present rate the ceiling would quickly be broken.

Ireland's tight credit situation has been exacerbated by the country's decision to join the European Monetary System.

Many companies and individuals have had to find funds at home, while before the break of the Irish pound with sterling they were able to *borrow in London. Now that* the Irish pound has depreciated to below 93p against sterling, there is a considerable exchange risk involved in borrowing in Britain.

Both the Government and the central bank feel it essential to keep a tight rein on credit because easy access to funds could lead to too large a *demand for imports.*

Central bank statistics also show that the country's external reserves have fallen sharply since the European Monetary System became operative last March.

Measured in Irish pounds, reserves fell from £1.26bn in February to £921m in May, the lowest since 1976.

Reserves were previously at an artificially high level because of the abnormal inflow into Irish gilts last December. At that time it seemed as if the Irish pound would appreciate against sterling. As this turned out not to be the case, this "hot" money quickly left the country again.

Thatcher Moscow visit not in the near future

BY ANTHONY ROBINSON

THE invitation to visit Moscow issued to Mrs. Thatcher by Mr. Alexei Kosygin, the Soviet Prime Minister, when she stopped off there on her way to the Tokyo summit is unlikely to be accepted in the near future.

The invitation was couched in general terms and Mrs. Thatcher accepted that there were no concrete plans for an official visit in the near future.

Mrs. Thatcher, for her part, reminded Mr. Kosygin of the long-standing British invitation for him and Mr. Andrei Gromyko to visit London.

Mr. Kosygin's decision to meet Mrs. Thatcher personally during her Moscow airport stopover was not expected and was taken as a clear sign that the Russians want to try to establish more cordial relations with a Government led by the woman they now probably rather regret having nicknamed "the Iron Lady."

Irrespective of the change of Government, however, there are several contentious issues in abeyance—including the mooted UK sale of Harrier jets to China and British suspicion of Soviet and East German activities in Southern Africa.

Belgians plan to cut work hours

BRUSSELS—Belgium's plans for a 36 hour industrial week have been shelved and a modified plant to introduce a 38 *hour week by the end of 1980 is* due to be discussed in tripartite talks with trade unions and employers in September. In return for the shorter week, the Government will offer bonuses to encourage companies to take on unemployed workers, according to government officials.

The basis for the negotiations has been worked out between the three sides in informal talks this week. But the new policy is a change from the original intentions of Mr. Wilfried *Martens, the Prime Minister*, who was seeking immediate agreement on a 36-hour working week by the end of 1981, and wanted to force employers to take on new staff.

The Martens plans has been altered because the Government feard Belgium would lose competitiveness if it pushed ahead with a plan to cut working hours more drastically than in other EEC countries.

The authorities will also try in their September negotiations with the unions and employers to limit wage rises to the annual inflation rate.

Any further increase in real terms above this level could endanger existing jobs and investment prospects in industry. The exact details of the bonuses to be paid to companies which take on fresh workers will have to be worked out.

German bankruptcies fall by 9%

BY GUY HAWTIN IN FRANKFURT

AMONG the signs of an improving economic climate here is a marked fall in the number of bankruptcies reported in West Germany. Last year they fell by just under 9 per cent, while the amount of cash involved declined even further.

The figures come from a study produced by a Cologne-based credit insurance company, Speziale Kreditversicherungs-AG, a subsidiary of the large Gerling insurance group. But while it derives comfort from *the falling insolvency rate*, the report remarks wistfully that bankruptcies are still running at more than double the rate recorded at the start of the 1970s.

There were 8,723 bankruptcies in Germany last year, compared with 9,562 in 1977. However, the cash lost in 1978 was DM 4.5bn (£1.11bn)—19 per cent down on the previous year's DM 5.6bn.

The decline in insolvency, however, has not been evenly spread across the corporate spectrum, according to the report. There were steep declines in bankruptcies in the mechanical engineering sector (down 33 per cent), quarrying and ore extraction (also down 33 per cent) and the electronics sector (down 25 per cent)—all of which have benefited particularly from the upturn in the economy.

The construction industry also saw something of an upturn and bankruptcies in the building sector fell 8 per cent, while the decline in the timber industry was 7 per cent. Retailing insolvencies fell by 3 per cent.

On the other hand, there was a spectacular 24 per cent increase in insolvencies in the leather industry. Woodworking companies saw bankruptcies rise by 11 per cent and there was a 2.6 per cent increase in insolvencies in the food and drink industry.

● Reuter adds from Bonn: West German manufacturing industry's incoming orders rose 3.1 per cent in May over April, after a revised 6.96 per cent fall the previous month, according to provisional non-adjusted Economics Ministry figures.

The Ministry also released provisional seasonally adjusted figures showing that industrial production fell 4.74 per cent in May after a revised 5.31 per cent rise in April over March.

Oil gives 75% of Swiss power

By John Wicks in Zurich

SOME 75.3 per cent of Switzerland's total energy was provided by oil last year, according to figures prepared by the Union of Swiss Power Stations. While petrol demand rose by only 1.7 per cent from 1977 levels to 4.06m tonnes, the long and cold winter brought about a jump of 7.7 per cent, to more than 8.05m tonnes, in the use of heating oil.

Electricity use rose by 3.8 per cent, with its share of power use dropping slightly from 17.6 to 17.3 per cent. Use of coal and coke fell by 10.6 per cent, to 335,000 tonnes, accounting for 1.4 per cent. Other energy sources were gas, with 4.2 per cent, wood, with a further reduced share of 1.2 per cent, and domestic and industrial waste—included in the Swiss energy balance for the first time—with 0.6 per cent.

Danish fuel import bill increases by 30%

BY HILARY BARNES IN COPENHAGEN

DENMARK'S FUEL imports in the first five months increased *by 30 per cent in* value, to DKr 6.4bn (£551m), compared with the same period last year, adding DKr 1.5bn to the total import bill.

In May, fuel imports were DKr 440m higher than in May last year, an increase of 38 per cent, according to official trade statistics.

Denmark's total fuel import *bill in 1978 was DKr 12.4bn, or* 15 per cent of total imports.

Total imports so far this year have risen by 16 per cent, to DKr 37.8bn, and exports by 13.6 per cent, to DKr 29.5bn. The trade deficit increased from DKr 6.5bn to DKr 8.2bn.

Increased fuel prices are also reflected in the consumer price index, which rose by 7.8 per cent in the 12 months to May. Fuel prices increased by 21.2 per cent.

This also affects the wage-regulating consumer price index, which is expected to trigger wage and salary increases of DKr 1.20 in September, about 2.4 per cent of the average industrial wage, with a *further increase of DKr 1.20* likely in March next year.

The official foreign exchange reserves fell by DKr 3.7bn to DKr 20.1bn in June, when the central bank was forced to support the krona in the European Monetary System.

POLISH RETAILING

Profits—and a smile behind the counter

BY CHRISTOPHER BOBINSKI IN WARSAW

THE LONG-SUFFERING Polish consumer faces bleaker prospects than ever this year. Apart from further inevitable petrol and energy price increases the harvest is now certain to be a poor one. The combined effect of spring floods and summer drought means that grain imports will have to be increased, and this means that foreign exchange for the import of consumer goods will be cut even further.

There is little hope for any improvement in the supply situation for the foreseeable future. But, in an attempt to reduce some of the bureaucratically-induced absurdities, which also play their part in the disappearance of even the most humdrum articles, sometimes for weeks on end, the Ministry for Internal Trade has just introduced a new management scheme giving more discretion to store managers.

The new scheme was recently explained by Mr. T. Sniadowski, a senior Internal Trade Ministry official.

"Our Ministry was always telling the managers of the big supermarkets to solve the problem of queues and shortages in their shops — and they always replied that if we gave them more freedom to run their business then they'd do the rest to make life easier for the customers," he said. "Now we are giving them the freedom, and we'll be watching the results with interest."

The new scheme will cover 25 large food stores throughout Poland, although in Warsaw one furnishing store and one clothing store are also included. Under the scheme, wages for the sales force will no longer be limited by the Government, but will be fixed by store managers as they see fit.

Ashley Ashwood

Flower sellers in the market place of Krakow.

Neither will managers be limited any longer by manning levels fixed in the Ministries. Henceforth they will be able to employ as many people as they need, and where they need them.

Wages will come out of a fund made up from between 10 to 20 per cent of the store's *profits* through a system in which the connection between wages and profits is made clear. It is intended to act as a stimulant to both managers and workforce.

Prices will still be regulated but managers will, for example, be able from now on to package goods on the premises and thus maximise to price. They will also be allowed to produce goods themselves and to buy directly from producers, thus avoiding the State buying agencies which are remote from consumers' needs. On top of this, managers of these State-owned shops will also be able to buy from private sector suppliers.

Last but not least, these big stores will be permitted to indulge in a little foreign trade. If they manage to sell their goods abroad, they will be able to import articles with the foreign currency earned and then sell them. The name of the game, according to Mr. Sniadowski, is to get managers to demonstrate their business *initiative. If no major problems* crop up, another 100 stores will be added to the list of participants next January.

The scheme is a bold attempt, by East European standards, to demonstrate that trade functions better without the constrictions imposed by Government officials.

The new scheme follows the introduction last year of a scheme under which State-owned, small shops employing from one to three people could be handed over to private persons to run. Under the terms of the agreement, the private shopkeepers had to stock the shops themselves from both private and State sector sources and could take any profit left over after a fixed amount per month had been paid to the State enterprise leasing the premises.

At first few shopkeepers were willing to take the risk. The initial financial outlay was considerable as the shopkeeper had to buy stock and fittings from the State firm. Intending entrepreneurs also tended to go in such areas as fruit and flowers where supplies were relatively easy and profit margins higher rather than basic foodstuffs where the opposite is true. But *many of these* problems have now been ironed out and, the essential financial adjustments made. There are now around 10,000 such shops throughout Poland, 40 per cent of them grocers and another 17 per cent selling fruit and vegetables.

By 1980, it is hoped that this figure will rise to 22,000, which would mean that nearly a quarter *of the shops* in this category would be in private hands.

One of the results of the scheme has been a rapid growth of clothes boutiques, of which there will soon be 30 in Warsaw alone. These sell privately-made garments at high prices. But Internal Trade Ministry officials are not dismayed at this development. "If people have the money, and want to pay the prices—that's their business" they say.

More important for the Ministry is that turnover in these "agency" shops, as they are called, has gone up by 25 to 30 per cent since the days they were State run.

They are also open longer hours and stock a wider range of goods. Before the scheme was introduced many of these shops were closed up to 70 days a year through shortage of staff. Now they're open, and the State saves on overtime payments. *What is more, there is a much greater* chance of seeing a smile behind the counter.

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Pretoria nuclear research hit by U.S. fuel embargo

BY QUENTIN PEEL IN JOHANNESBURG

SOUTH AFRICA'S nuclear research programme has been hit by the U.S. decision not to supply highly enriched uranium for the country's pilot nuclear reactor, Dr. Wynand de Villiers, president of the Atomic Energy Board, said yesterday.

The plant, Safari 1 at Pelindaba outside Pretoria, is operating at only one-eighth of capacity because of lack of fuel. A total of 12 kg of highly enriched uranium for the plant was ordered in 1975, but an export licence has been consistently refused by the U.S. because South Africa has not signed the nuclear non-proliferation treaty.

Dr. De Villiers said three major research programmes were affected: production of isotopes for use in medical research; a large programme in neutron activation analysis for medical purposes and for uranium prospecting; and fundamental research in materials testing.

The South African Government has decided to produce its own enriched uranium commercially, by expanding its pilot enrichment plant at Valindaba, but the plan is only to produce lowly-enriched uranium in the first place.

Dr. De Villiers said however, that South Africa had the technology to enrich her own uranium to the high levels required by Safari 1. "We have the technology, and if the Government should so decide in the future, we could produce it," he said.

Dr. De Villiers said that no alternative source of highly enriched fuel had yet been found, but negotiations were stil going on with the U.S. The Atomic Energy Board had agreed that it could use uranium enriched to a lower level for Safari 1.

The controversy over highly enriched fuel is that it can be readily used for nuclear weapons. In spite of its assurances to the contrary, the South African Government is suspected of preparing to make nuclear warheads.

Arrangements for less enriched uranium supplies required for the Koeberg nuclear power station under construction outside Cape Town had not yet been completed, Dr. De Villiers said. Observers do not believe that this is likely to pose a serious problem, because the fuel is not in the sensitive category.

However, the Valindaba enrichment plant is not expected to come on stream until 1982, whereas Koeberg should be completed by the end of 1981 fore needed in the interim.

Reuter reports from Windhoek: South African forces have crossed into Angola and killed 12 guerrillas in a hot pursuit operation in the past three days, General Jan Geldenhuys announced yesterday.

He said his forces discovered a big arms and ammunition dump and food store inside Angola.

General Geldenhuys said the operation was launched after guerrillas fired with small arms and mortars at a routine South African patrol near the border between South West Africa (Namibia) and Angola. The South Africans suffered no casualties i ntheir cross-border pursuit.

In other operations within South West Africa in the past two weeks, South African forces had shot dead a further seven guerrillas, the General said.

Salisbury bishop's home attacked

By Tony Hawkins in Salisbury

PATRIOTIC FRONT guerrillas attacked a house in the Salisbury suburb of Gunhill, four miles from the city centre, early yestedlay. No one was seriously injured.

Small arms and rockets were used against the home of the Greek Orthodox Archbishop Cyril Papadolous, which is only a few hundred yards from that of General Peter Walls, Rhodesia's Commander of Combined Operations.

Bishop Abel Muzorewa, the Prime Minister, and President Gumede, live about two miles away. Police said the Archbishop suffered a slight knee injury. The guerrillas escaped.

Police said they had no idea why the Archbishop's home should have been a target, but there is speculation that the attack was intended for politicians and civil servants who live in the area.

AP reports from Lusaka: Airborne Zimbabwe Rhodesian commandos have attacked guerrilla targets in and around the Zambian capital of Lusaka for four successive days since Saturday, the Government-owned Times of Zambia reports.

The claim has been denied by Zimbabwe Rhodesia military headquarters in Salisbury, which said it had conducted raids only on June 26 and on Sunday as previously announced.

The Times said at least 10 refugees were killed and several others hurt during four bombing raids carried out west of Lusaka.

Ghanaian ruling

Ghana's military rulers have decided to halt executions after international protests because they realise the country cannot live in isolation, a military official confirmed yesterday.
Reuter

Pragmatists resurrected to run China's economy

CHINA'S Fifth National People's Congress, which ended on Sunday, has put the clock back to the comparatively stable 1950s, by down-playing the thought of Chairman Mao, strictly limiting extravagant economic expansion, and abolishing revolutionary committees—the last and most cherished institution left over from the 1966-69 Cultural Revolution.

Most striking of all is the resurgence of leaders who directed the economy in the 1950s and who now form a solid phalanx at the heart of the Chinese Government.

However, the congress did not resolve the major division in the present leadership between pragmatic veteran officials and surviving appointees of the Cultural Revolution. Chairman Hua Guofeng, who came to his present high office as a result of the Cultural Revolution and the political struggles it generated, retained the Premiership, and the other three leading beneficiaries of the movement kept their vice-premierships.

Nevertheless the congress took a major step forward in consolidating the position of the pragmatists. Three senior economic figures, two of them inactive since the early 1960s, were installed as vice-premiers. One, Chen Yun has been in the shadows for years because of his criticism of Mao's great leap forward in 1958. He was reappointed to the top party ranks, as vice-chairman, at the central committee meeting last December, and has since then directed the "readjustment" of China's economy.

The second, Bo Yibo, fell in the cultural revolution and reappeared last December. He is a former Minister of Finance and a critic of the great leap. He worked hard as Minister in charge of the Economic Commission to restore the damage it caused in the early 1960s. The third, Yao Yilin was attacked in the cultural revolution after years of experience of trade and commerce. He surfaced again as Vice-Minister of Trade in 1973. Thus the State Council, which comprises vice-premiers and ministers and takes most major Government decisions, is now heavily weighted against the extreme Left-wing policies prevailing during the Cultural Revolution.

Enhancing the power of this economic nucleus, the leadership has set up a new financial and economic commission to co-ordinate planning and finance co-ordinate planning and finance.

Three victims of China's Cultural Revolution have been brought back by the National People's Congress to mould the nation's economic COLINA MacDOUGALL examines the implications.

Vice-Premier Chen Yun is in the chair, and the leading planners and economic ministers are all members. In view of their senior government and party rank, this seems likely to be a powerful group. It may be able to railroad through its policies without much reference to bodies which still include those now described as "remnants of the gang of four" (supporters of Mao's wife and her three radical colleagues).

Outside the economic field, the Congress took another important step back to the policies and leaders of the 1950s. A new legal framework was presented, affording the citizen some rights in place of the arbitrary system of accusation and arrest that has operated since at least 1966. Announcing the new measures was Peng Zhen, who reappeared this spring for the first time since 1966, when he vanished from his post as Mayor of Peking.

In the early 1950s, Peng could legitimately have expected to be Mao's heir as one of the younger leaders already in the close-knit Politbureau. In 1956, he was apparently superceded by Deng Xiaofing and he has certainly suffered more than Deng in the last 13 years. Peng's age (77) may disqualify him from the top jobs (at the Congress he was appointed to the mainly honorific cost of Congress Vice-Chairman). But his distinguished past and forceful character may make him a man still to be reckoned with.

Deng Xiaoping did not speak at the Congress. But his standing appears to be high and he is believed responsible for bringing back the experienced leaders of the past to handle China's current problems. While history indicates that he did not always see eye to eye with either Chen Yun or Peng Zhen. these differences may be small when compared to the antagonisms that exist between them as a group and the beneficiaries of the cultural revolution.

One mark of continuing instability in the leadership was the absence of the normal one day party meeting before the Congress. This was presumably because of hostility between the different groupings. During the spring, Deng came under attack for his encouragement of Chinese-style "democracy," and the leadership as a whole was in some trouble for economic over-extension last year. These two facts apparently gave the "remnants of the gang" a chance to make a comeback.

The time is evidently not ripe for a party meeting to oust the surviving cultural revolution beneficiaries. These include vice-chairman Wang Dongxing, who is now again under poster attack in Peking for allegedly using state funds to build a luxury home for his personal use.

Slackening pace for Hong Kong bank loans

By Our Hong Kong Correspondent

THE RAPID RISE in bank lending and money supply which has been worrying Hong Kong monetary officials is beginning to show signs of easing.

Latest official figures show a slackening in both key economic indicators, which suggests that the officially inspired policy of raising interest rates may be succeeding. Prime lending rate now stands at 13 per cent.

During May, the latest month for which figures are available, total Hong Kong dollar loans and advances to local borrowers rose by HK$ 524m (£47m) or 0.9 per cent more than the preceding month, to HK$ 60.6bn.

That was 46 per cent up on the level a year ago, but the annual growth rate over the latest three months has falen to 32 per cent. A Government official said: "Though still high, it is a substantial reduction on the growth rate of earlier months." The ratio of loans to deposits again increased in May, however, to 84.2 per cent, something which both the banking community and the Government are unhappy about.

Meanwhile the M2 broadly defined money supply in Hong Kong roes by HK$ 244m or 0.3 per cent in May over April to HK$ 78.6bn. That respresents a tangible slowing both in terms of the annual increase measured from May to May and in terms of the annual rate of the latest three months.

Dock strike called off

SYDNEY—Australian dockers decided yesterday to call off a strike throughout the country. About 10,000 dockers voted to walk out on Tuesday over the dismissal of 30 men who refused to do the work of laid-off colleagues.
Reuter

Lebanon puts pressure on guerrillas in South

BY IHSAN HIJAZI IN BEIRUT

PALESTINIAN GUERRILLAS have been under increasing pressure to withdraw from all populated areas in southern Lebanon now that Israel has announced plans to mount a relentless offensive against them.

The Lebanese authorities have laid down plans to send units of the Lebanese army to the port of Tyre and the town of Nabatiyah, both Palestinian guerrilla strongholds. It was reliably reported yesterday that the Government in Beirut would seek United Nations help for the move.

The guerrillas last month reduced their military presence in certain parts of the south. Dr. Selim al-Hoss, the Lebanese Prime Minister, announced two days ago that he had asked Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation, to withdraw the guerrillas and their Left-wing Lebanese allies from "all populated areas in the south without exception."

Tyre has been the main Palestinian centre south of the Litani River. Nabatiyah became a major base north of the Litani River after the Israelis last year pushed the guerrillas away from the border.

L. Daniel reports from Tel Aviv: Mr. Hashem Atta al-Shawa, chairman of the Palestine Bank, which used to operate in the Gaza Strip before 1967, has come out against the re-opening of the bank if it has to operate under the supervision of the Bank of Israel. He claimed that Israeli commercial banks operating branches in Gaza were putting obstacles in the way of the revival of the Palestine Bank.

Mr. Shawa also accused the Egyptian authorities of frustrating the Bank's plans by refusing to release the Bank's funds which have been frozen in Cairo since 1967.

A Bank of Israel spokesman rejected the claim that Israeli banks were working against the resumption of activities.

ASEAN leaders 'red alert' over Vietnamese threat

MANILA—The ASEAN nations have told Vietnam to become a better neighbour, according to Mr. Carlos P. Romulo, the Philippines Foreign Minister. He added that in case it did not, ASEAN was on "red alert."

Mr. Romulo, addressing a news conference yesterday, did not refer directly to Vietnam, but was elaborating on the communique issued at the end of the ASEAN summit in Bali at the weekend. In the communique, Ministers representing the five ASEAN nations (Thailand, Malaysia, Singapore, Indonesia and the Philippines) demanded that Vietnam should withdraw its troops from Kampuchea.

Asked to explain what he meant by "red alert," Mr. Romulo said that in a military context, this meant being ready for danger from any source.

He chose the news conference to reaffirm ASEAN unity in the face of a Vietnamese military threat against Thailand: "It is our firm belief that what happens to an ASEAN member happens to all of us," he said. In addition, he described as "very welcome," a statement by Mr. Cyrus Vance, U.S. Secretary of State, that the U.S. was committed to support the ASEAN countries. Vietnam has made no formal response to either the communique or Mr. Vance's statement.

Reports from the north-east Kampuchean town of Kratie suggest that Kampuchean Government troops loyal to Heng Samrin had clashed with their Vietnamese allies. There was no indication of the scale of the clashes, but Western diplomats have predicted trouble based on the historic antagonism between Kampuchea and Vietnam.

Meanwhile, two groups of refugees, comprising 420 people, broke up their boats and swam to shore as they arrived yesterday off the east coast of Malaysia. In the past three days, more than 1,000 refugees have smashed their boats, in a bid to prevent the Malaysian Government pushing them back to sea.

Pakistan envoy told of 'disquiet' over incident

MR. PETER BLAKER, Minister of State at the Foreign Office, summoned the Pakistan Ambassador yesterday afternoon to express the British Government's disquiet over the recent incident in Pakistan involving Mr. Chris Sherwell, the Financial Times and BBC correspondent in Islamabad.

A statement from the Foreign Office said: "Whilst noting that the Pakistan authorities had expressed regret for the denial to Mr. Sherwell of his right of consular access during the period in which he was in the hands of the police, Mr. Blaker drew the Ambassador's attention to certain disturbing aspects of the whole episode which suggested that the fullest possible inquiry was desirable.

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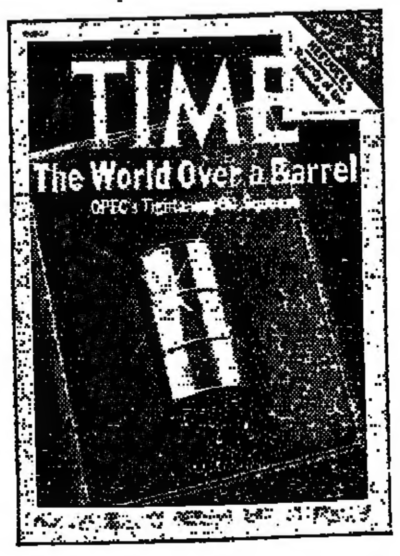

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David Buchan reports on moves to protect the oil supplies

U.S. charts the troubled waters of a new role in the Gulf

A TOP-LEVEL paper war is being fought out in Washington. The issue is how to shore up and strengthen the U.S. military presence in the Middle East and the Gulf, and how the U.S. *smarting from the lesson of* Iran, can try to ensure that the vital flow of oil is not interrupted in future crises.

The outcome — closely watched in western Europe and Japan, where dependence on the Gulf's oil is even greater than in the U.S.—is not yet decided. President Carter has yet to rule on the options being put to him. But the first rounds show the tide running in favour of the activists—Mr. Harold Brown of Defence, Mr. James Schlesinger of Energy and Mr. Zbigniew Brzezinski, the White House security *specialist—who* want firm action to stem the erosion of U.S. regional influence since the Iranian revolution, and against the more cautious approach of Mr. Cyrus Vance's State Department, which fears *the diplomatic consequences if* the U.S. raises its military profile too high.

The Washington planners have been working along two parallel lines. The first is a contingency plan, drafted by the *U.S. army, for the speedy dis*patch of a quick strike force of up to 110,000 troops in the event of a crisis or emergency outside the NATO area. Despite disclaimers by General Bernard Rogers, the new NATO commander, who first revealed the plan's existence last month, the contingency that leapt to every*one's mind was a threat* to U.S. oil interests in the Gulf.

The idea has caused a stir, even though the Defence Department started mulling it over nearly two years ago, when Mr. Brown first promulgated his *doctrine that the U.S. should be* able to fight one and a half wars at any one time. The department *insists* that no new force is contemplated, only a speedier mobilisation of existing units.

The second line of planning is to strengthen the largely naval U.S. presence in the region. Winnowed down by Mr. Carter's *senior foreign* and defence aides last month while the President was preoccupied with Vienna and Tokyo summitry, the recommendations now amount to increasing from three to five the number of *ships* the U.S. bases in *Bahrain*, and a more regular rotation of U.S. task forces (usually five to *eight ships each) through the* Indian Ocean.

Although this amounts to a less than awesome U.S. presence, the U.S. bureaucracy is a thorough creature which likes to examine all options before discarding them (the fate met by the plan for a new U.S. Fifth Fleet for the Indian *Ocean*). *Being Washington*, much of the deliberation leaks out to the Press, with the predictable result: consternation and nervousness, even among those countries which the U.S. intends to protect.

Public statements this year by Administration officials, warning that the U.S. *would not stand idly by if its oil interests* were threatened, have deliberately been vague. They have masked internal confusion in Washington over whether the U.S. could really attempt to prop up regimes against domestic dissent on the scale of the anti-Shah revolt in Iran or whether the U.S. could only act against outside intervention *in the region by the Soviet* Union. The ambiguity in Washington also mirrors the deep ambivalence, most importantly, in Saudi Arabia, but also in the Gulf littoral states, about their military links with the U.S.

The Arabian Peninsular countries seem to want the U.S. to be heard, but seldom seen. The one exception is that both Washington and its Arab friends agree that the U.S. should match anything the Russians are doing in the area.

Thus the Saudis were pleased to have the U.S. pour half a billion dollars worth of arms in *the past year into* tiny North Yemen to help it against Russian and Cuban-backed South Yemeni forces. Riyadh would have in fact been most put out if the U.S. had not done so, as the Saudis paid for all the equipment and even the exorbitant added cost of rushing it to North Yemen by air instead of sea.

The Saudis and the smaller pro-Western Gulf states want the U.S. to be able to help them as quickly as the Soviet Union can aid its clients, even though the U.S. is 6,000 miles further away. In February the U.S. showed it can rapidly reinforce the region, using the Azores as a staging post under a treaty with Portugal that has just been renewed, when it flew in a *squadron of unarmed* F-15 fighters to Saudi airports. The Saudi's were reassured. But in the words of one State Department official, "Once the planes arrived, the Saudis lost interest, and in fact seemed slightly embarrassed."

A modest U.S. reinforcement in the Indian Ocean would probably not disturb *the Arabian* Peninsular countries. The Russians maintain a larger naval presence there of some 20-24 ships on average, often operating out of the South Yemeni port of Aden, which in May was graced by a visit from the Soviet carrier Minsk.

But State Department officials say that U.S. suggestions that its ships make more port calls, or that it expand permanently its force in the Gulf, make the littoral states decidedly skit*tish. Virtually all the Gulf* states must take heed of their large immigrant populations which include Palestinians and Yemenis, and of course of the new regime in Tehran, where the Palestine Liberation Organisation now occupies the former Israeli Embassy.

Signals to Washington are not always clear. Recently the Saudi King, Crown Prince and Foreign Minister have all publicly opposed a more visible U.S. military presence. But at least one Senator has recently come away from Riyadh with the im*pression the Saudis* would like U.S. help in policing the Strait of Hormuz, the narrow bottleneck of the Gulf, now there is no longer a Shah to do it. Sheikh Yamani claimed this week that it would only take a terrorist sinking *of a super*tanker in the strait to bottle up the Gulf's oil.

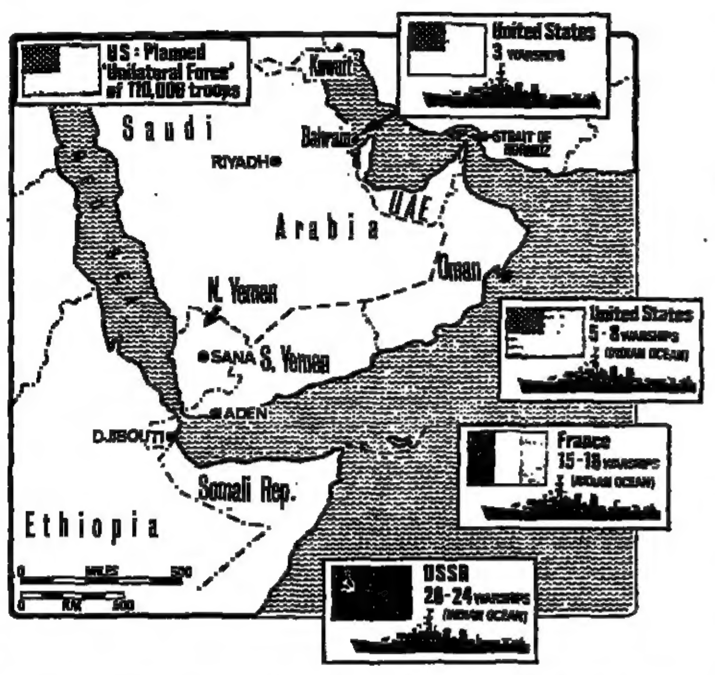
One solution for the U.S. would be simply to sell its friends more arms, and this is happening. Military sales to Saudi Arabia will amount to $5.5bn (half of it for base construction) in the current year *and are estimated* at $8bn next year.

But there are snags for buyer and seller. The Iranian revolution put billions of dollars of sophisticated U.S. hardware into suspect hands, and many in Congress and the Administration do not want to see that happen again, at least not on *that scale. For their* part, the Saudis, and to a lesser extent the Gulf Sheikhdoms, many of whom are supplied by Britain and France, fret under the delays that Congress and U.S. production schedules place on their arms orders.

While the U.S. may worry about its arms falling into the wrong Arab hands, many Arab governments see the new plan for a U.S. strike force, or the Unilateral Corps as the U.S. Army has christened it, being used in the wrong way. They would be happy if the U.S. acted only at their request to stem outside intervention. But, as a recent Congressional study put it, "U.S. leaders might contemplate seizing selected oil fields if embargos or unbearable pricegouging created chaos in the U.S. or elsewhere in the industrial world."

Moderate or pro-Western Arabs are wary of rallying to the Stars and Stripes because of the extensive and bitter Arab dislike of the role the U.S. has played in peace negotiations between Egypt and Israel. If a reasonable deal for the Palestinians emerges from the second round of talks, on autonomy for the Arabs on the West Bank, the U.S. will find a warmer welcome. But when or *if that will happen is anybody's* guess.

Mr. Vance and Dr. Brzezinski . . . at odds over military strength.



The Iranian Ambassador to Kuwait said yesterday that the real danger to the Gulf States and Iran was posed by the U.S., not the Soviet Union, AP-DJ reports from Kuwait. Mr. Shams Ardakani said: "We are convinced that the U.S. will not spare any opportunity to hit us because the Islamic revolution in Iran wiped out America's biggest oil, economic and espionage base." The Communists posed no threat to the region, he said.

Mexican oil spill 'world's worst'

BY WILLIAM CHISLETT IN MEXICO CITY

PEMEX, t he Mexican State-owned oil corporation, now admits that it will take another two months to control the huge oil blowout in the southern corner of *the Gulf of Mexico*. By then over 2m barrels will have poured into the gulf, making it the world's worst oil spill.

The worst previous spill was in 1978, when the Amoco Cadiz ran aground off the French coast and 1.3m barrels poured out.

Since June3, when the blowout occurred at the Ixtoc One well in the Bay of ????????—30,000 barrels a day have been spilling into the gulf. All attempts to cap the well have failed. Two wells are being drilled to relieve the pressure, but using this method it will take two months to control the blowout.

Pemex did manage to seal off Ixtoc One for two hours on June 23, but the pressure built up again. The ecological damage *has not yet been estimated*, but could be far greater than Pemex claims.

The cost of hte blowout is also difficult to estimate, but in lost oil alone the bill to Pemex will be over $40m at current prices, and the rescue operation will cost at least that amount again.

The first relief well was started about a week after the blowout, and another was begun this week. The first well is about 1,300 metres deep. It is intended to be at least 3,600 metres deep and to end up with*in 10 metres of Ixtoc*.

Ocean fall plan for Skylab

By Michael Donne, Aerospace Correspondent

U.S. SCIENTISTS of the National Aeronautics and Space Administration are confident that when the defunct 80-tons Skylab space station plunges back to earth *next week it will do virtually* no damage, probably falling into the South Pacific.

While much of the Skylab will be burned up on re-entry into the earth's atmosphere, as many as 500 pieces of hardware might survive to reach the surface of the earth, distributed along a 4,000 miles corridor about 100 miles wide.

The Skylab, launched in 1973, at one time the most *ambitious U.S. manned space* platform, has been unused for some time, both for financial and technical reasons, and has been slowly descending towards the earth's atmosphere. It will be the biggest *man-made object to return to* earth from space.

Recently, the NASA scientists have sent signals to Skylab's weakening control systems which have altered is orbital path to try to ensure *that any debris* will fall into the ocean and not on land.

NASA intends further to change Skylab's orbital path for a few hours when re-entry becomes imminent, to delay the moment of re-entry sufficiently to ensure that it is shifted several thousand miles, over oceans or sparsely populated regions.

The NASA scientists believe that the chances of any*one on earth being injured* by Skylab debris is less than one in 150. The precise moment of re-entry is uncertain, but is expected to be some time between July 12 and 14.

Left-winger leads Bolivian poll

BY HUGH O'SHAUGHNESSY

RUMBLINGS OF secession are again being heard from Bolivia's rich south-eastern department of Santa Cruz, as it becomes increasingly likely that a Left-winger will soon be proclaimed winner of the Presidential elections held on Sunday.

Santa Cruz is the Texas of Bolivia, containing the better part of the republic's natural gas and oil, whose revenues have in the past few years kept the central government in La Paz out of bankruptcy and a cruel balance-of-payments crisis. In addition, it grows cotton and beef and is a source of employment in a country where work is scarce and badly paid.

The city and its department are controlled by a group of conservatives known as crucenos, many of whom have made their fortunes from local agriculture or industry or the recent property boom. Scarcely tolerant of the authorities in La Paz, the crucenos have now given formal notice that they will not put up lightly with a Left-winger in the seat of Government. From 1971 to 1978 their own man, Gen. Hugo Banzer, was President.

They can draw strength from the rivalries of their neighbours the Agentinians and the *Brazilians*, who are constantly scheming to outdo each other in an area which each would like to control economically and politically.

Now that Dr. Hernan Siles Zuazo, leader of the UDP or Popular Democratic Union, appears close to gaining the Presidential sash, more trouble may be expected from Santa Cruz, where Gen. Banzer has retired.

The preliminary outcome of Sunday's poll showed Dr. Siles with about 40 per cent of the votes, followed by Dr. Victor Paz Estenssoro, who led the great social revolution of 1952 but is now a much more conservative figure, with less than 30 per cent.

In third place with about 18 per cent lies Gen. Banzer. Since no candidate has the required 51 per cent to win outright, Congress will meet on August 6 to choose between them and install the first freely elected President since Gen. Banzer overthrew Gen. Juan José Torres *in 1971*.

If Dr. Siles is not confined in office by the Congress, there will doubtless be trouble on the streets of La Paz, but to get the votes, the leading contender may have to engage in some energetic horse trading with his rivals.

A surprisingly strong showing was made by Sr. Marcelo Quiroga Santa Cruz, whose Socialist Party has so far gained nearly 9 per cent of the vote. In last year's elections, which were declared null after a barracks putsch by Gen. Juan Pereda, an old associate of Gen. *Banzer, Sr. Quiroga*, the scourge of the foreign oil companies in Bolivia, got only 1 per cent.

The incoming President will face many hard decisions. Hopes of an oil-led boom have faded and it is possible that by the end of the year *Bolivia* will have to start importing oil again.

Foreign borrowing, contracted during the period of oil euphoria and tempting offers from overseas bankers, is worryingly high at $2bn. Last year the trade balance was $270m in the red and the current account $393m in deficit.

Japan and Mexico plan oil accord

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN AND MEXICO are to start negotiations at government level later this month on the regular supply of Mexican oil to Japan, probably from a Pacific coast port which will be linked by pipeline with the oil fields on Mexico's Atlantic coast.

The negotiations will follow a period of six months or so during which Japanese *trading* companies have been making competitive offers to Mexico to purchase oil. Private level "bidding" by Japanese traders will be suspended while the two governments work out the broad lines of a supply agreement.

The decision to start government level talks was reached when Sr. Ignacio de Leon Martinez, the commercial subdirector of the Mexican state oil company Pemex met Japan's Minister of International Trade and Industry, Mr. Mashoni Esaki.

Mr. Esaki proposed to Sr. Martinez that the director *general* of MITI's Natural Resources and Energy Agency should visit Mexico City later in July to start negotiations.

MITI officials yesterday described as "pure speculation" reports that Mexico might supply Japan with 300,000 barrels of oil per day or roughly 6 per cent of its import requirements. Quantities were *not discussed* at the meeting, they said. Neither were exact starting dates for the supply of Mexican oil, although this is expected some time next year.

The visit to Tokyo of the Pemex vice-president *coincides* with the signing of syndicated loan agreements to Pemex by two groups of Japanese banks.

A group of 16 banks, headed by the Bank of Tokyo, have signed an agreement to provide a $125m five-year loan at a margin of 0.625 per cent over the London interbank offered rate (LIBOR).

A second group of six banks headed by the Industrial Bank of Japan is to lend $100m over a ten-year period at a margin of 0.75 per cent. Both loans are to help finance oil development projects.

Boycott certificates stay

BY MAURICE SAMUELSON

BRITAIN is continuing to provide documentation on behalf of the Arab boycott of Israel, despite a pledge by the Labour Government to review the practice of authenticating the signatures on so-called negative certificates of origin required by some Arab States.

Although the review, launched in response *to a Lords* select committee headed by Lord Redcliffe-Maud, is said to be still going on, the certificates are regarded by many UK businessmen as an unpleasant necessity.

Until the Government decides otherwise, they will continue to be authenticated, even though the Government says it does not *subscribe to boycotts*

Delay in tariff cuts approval

BY BRIJ KHINDARIA IN GENEVA

TARIFF CUT negotiations in the Tokyo Round trade talks among the U.S., Common Market and Japan have run into last minute snags which have delayed approval of the final schedules listing the actual tariff concessions.

The three partners decided last April that they would complete approval by the end of *June, but U.S. officials* now think this is unlikely to happen before mid-July. U.S. optimism is based more on the calendar of Congress rather than on progress in talks here, and the delay could be longer.

Congress *is* to vote on July 12 on the implementation of legislation needed to enforce the results of the Tokyo Round. Although failure to end the tariff cut talks by that date will not necessarily influence Congress, it will make the Tokyo Round package still messier, *particularly as some of the pack*age's codes designed to reduce non-tariff barriers to trade are unsettled because of opposition by developing countries.

Difficulty arose in the tariff cut talks when the U.S. announced at the end of June that it would follow the same pattern as the Common Market *concerning* the speed at which it will cut tariffs in sensitive industrial sectors.

The general deal agreed within the Tokyo Round is that the cuts will be applied in annual steps *for* a period of *eight years starting* in 1980. But the Community will not apply the cuts to chemicals, textiles and steel for the first two years. It will also review the results of tariff reductions in all areas after the first five years, to decide whether it will go on to complete the eight-year *period*.

The U.S. has now said it will also not apply tariff cuts in some chemicals, steel and textiles for the first two years, and reserves the right to make adjustments in all areas in the light of the Community's review after five years.

Japan, alarmed at the posi*tions taken by the U.S. and* the Community, now is reconsidering its own position.

The broad *outlines of* the Tokyo Round tariff negotiations were concluded last April.

The value of trade affected by these proposed cuts could be well above the $110bn (£51bn) achieved in 1976 by the earlier Kennedy Round which applied slightly higher percentage reductions than those agreed in the Tokyo Round.

Holland to buy chemicals technology

By Our Far East Editor

JAPAN'S Asahi Chemical Industry is to supply technology for the production of chlorine and caustic soda to AZC of Holland in what is claimed as an important breakthrough for this new method of chlorine manufacture.

The technology will be used in a 250,000 tons (chlorine capacity) plant which AZC plans to build over the next three years. AZC chose Asahi's technology over the alternatives after a two-year evaluation period in which consideration was given to *the economics of* the process, its environmental characteristics and the fact that of the various new techniques available, the Asahi method has been proved during commercial operations.

Chlorine and caustic soda have traditionally been produced by the mercury process *in* Japan and elsewhere but environmental problems caused a switch, from the early 1970s onwards, to the use of the diaphragm process pioneered in the U.S.

Quality problems associated with the diaphragm process stimulated research into further new processes including the ion *exchange* membrane process which now exists in at least four versions, including that pioneered by Asahi.

The process has yet to be applied in plants with a larger capacity than 20,000 tons per year (the capacity of Asahi's own plant to Japan).

Thus AZC's decision to use *the ion exchange method in* a 250,000 tons plant represents a major step forward for the industry.

Scandinavians hold pulp prices

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDISH AND Finnish pulp manufacturers will hold their prices unchanged for the third quarter but European paper makers can expect an increase in market pulp prices of the order of 10-12 per cent from October 1.

If wage negotiations for pulp and paper workers in British Columbia and *the southern U.S.* affect supplies from North America, the increase in Swedish and Finnish prices could be higher.

In Sweden the decision to stick to the lead price of $435 a tonne for bleached sulphate pulp was taken after some debate. The North American suppliers recently announced increases of $10-20 a tonne for deliveries to Europe, bringing *their prices into* line with the Nordic prices.

Svenksa Cellulosa, the biggest producer, wanted to raise prices and is now making its customers an offer which is a portent of things to come.

Customers can either buy at the $435 level or make a half-year contract at $465 a tonne.

Most industry experts anticipate a price of around $480-490 a tonne for the last quarter.

In its latest market review the Swedish Pulp and Paper Association reports that the Nordic and North American pulp mills are currently operating at an annual production rate of 15m tonnes, compared with a total output of 13.5m tonnes in 1978.

The association doubts whether it will be possible to maintain such a high production rate for the whole year. Several producing countries have wood supply problems and labour market disturbances could reduce output.

On the other hand, deliveries from new plants elsewhere in the world could help to prevent "excessive disturbance" in the market.

A "vigorous" development in the Western European graphic paper market is recorded by the Swedish association. Both EEC and Nordic mills are fully booked 8-10 weeks ahead for both uncoated and coated wood-free writing and printing paper.

Swiss market 'attractive'

BY JOHN WICKS IN ZURICH

THE exchange-rate made ex*ports to Switzerland* of paper and allied products "attractive" last year, according to the annual report of the country's three paper and cardboard industry associations.

Although Swiss consumption rose by only 4.9 per cent during 1978 to 951,000 tonnes and was well behind the 1974 record of more than 1m tonnes, imports went up by over 10 per cent to 313,000 tonnes while domestic production of paper and cardboard rose by only 4.9 per cent to 815,000 tonnes.

Despite the modest growth in Swiss output, export volume increased by as much as 14.7 per cent to 177,000 tonnes last year.

Pakistan import rules

Pakistan has announced a new import policy for fiscal 1980, which will permit import, with*out limitation, of* a large number of raw materials for manufacturing consumer goods, raw materials to produce capital goods, and capital goods in the finished form, reports AP-DJ from Islamabad. Figures for each import item and the vlaue of the total imports were not disclosed.

Colombia seeks new ships

BY HUGH O'SHAUGHNESSY

THE SALE of small warships to Colombia emerged as a possibility yesterday as President Julio Cesar Turbay completed a three-day official visit to Britain and flew to Brussels after lunch*ing with the Queen at Holyrood* House.

The Colombian navy is seeking a number of smaller vessels. It almost completed a deal to buy ships from the Portuguese navy last year, but the negotiations failed at the *last minute*.

"We are in the market for *naval craft*," a senior Colombian official said yesterday, "but we will be looking for the best competitive price."

Before lunch the Colombian leader visited the Longannet coal mine, one of the most modern National Coal Board installations in Britain, which is closely linked with a thermal power station. British officials hope it will stimulate Colombian demand for British equipment for the development of the large coal reserves which Colombia has found in the Guajira penin*sula near the Venezuelan border* and which the Colombians are exploiting as a matter of urgency, given the world energy crisis.

UK's Mideast exports

BY OUR FOREIGN STAFF

THE UK'S trade surplus with the Middle East is estimated at more than £300m for January-May this year, Lord Selsdon, of Midland Bank group and chairman of the Committee for Middle East Trade, said in London.

Although total exports to the Middle East are £172m lower than in the same period last year, due to the drop in exports to Iran, UK exports to the Arab *countries continue to rise, he* added. At the same time total Middle East imports into the UK had dropped by £147m.

The Middle East currently accounts for 11 per cent of all UK exports. OECD figures show that in 1978 only the UK, the U.S., Japan and Italy increased their market share.

"We anticipate that the latest rise in oil prices will result in an additional $15bn revenue for the Middle East oil producers *during the remainder of 1979*," Lord Selsdon said.

The Committee is to seek *early talks with the Government* and leading British exporters to discuss how best the UK might share in the increased market opportunity.

SPAIN—EFTA TRADE AGREEMENT

Post-Franco stability impresses

BY BRIJ KHINDARIA IN GENEVA

THE FIRST trade agreement ever concluded between Spain and the Geneva-based European Free Trade Association reflects European respect for Spain's economic performance during this decade as well as its genuine moves towards democracy following General Franco's death in November, 1975.

Spain signed a preferential trade agreement with the Common Market in 1970, *but it was* the start of negotiations in February this year to enter the Community that spurred EFTA to put pressure on Spain to conclude a free trade agreement.

Talks with the seven-nation EFTA — which comprises Switzerland, Austria, Finland, Iceland, Portugal, Norway, and Sweden — began in 1974 but were interrupted until mid-1977, when the EFTA nations became convinced Spain was a democracy capable of *Common* Market membership.

The multilateral free trade agreement between EFTA and Spain, signed in Madrid on June 26, has laid to rest EFTA fears that Spain will give it a worse deal in industrial trade than that given to the Common Market.

Spain sees the significant dismantling of trade barriers against imports from EFTA as a test of the strength of its economic structures. If, in the coming decade, Spanish pro*ducers can absorb competition* from EFTA products in the home market, they will know that they can stand up to stiffer competition in the wider EEC market.

The Spanish Government, too, *will have a better idea of the* kind of transition period it should seek from the Common Market to pave the way to full membership.

Membership talks with the Common Market are likely to end in 1982, when the trade accord with EFTA comes into full force. But Spain will not become a complete Community member until the late 1980s, by which time EFTA members hope they will have achieved almost unfettered trade in industrial products with Spain.

When Spain joins the Com*munity the agreement* with EFTA will be replaced by the Community's separate agreements with EFTA members.

The EFTA-Spain accord will come into force on January 1, 1980, after ratification by all eight countries concerned. Its immediate effect will be to achieve the same level of trade liberalisation between EFTA and Spain as applies between *Spain and the Common Market*.

The agreement's main provisions state that both the EFTA countries and Spain will apply an across-the-board tariff cut of 60 per cent.

But the EFTA nations will *apply 30 or 40 per cent cuts on* certain sensitive imports from Spain, such as various kinds of textiles, woollen fabrics, clothing and footwear.

Spain will, in turn, cut tariffs by between 10 and 25 per cent on sensitive items, including leather goods, wood products, pottery, glass, some kinds of iron and steel, some machines and machine parts, technical instruments, and some food products such as sugar, beer and *pastry*.

Spain has offered to less rigidly apply its import licencing rules concerning fish.

The tariff cuts will be applied on the most favoured-nation rates in force in the individual EFTA countries as of last January 1. If the Tokyo Round of trade negotiations results in lower tariff levels these will be used as starting points for the cuts envisaged in the Spain agreement.

Agricultural trade is covered by separate bilateral accords with each EFTA member along the lines of existing agreements with Common Market countries.

The trade accord is seen as being politically important, although only 4.8 per cent of Spain's imports came from EFTA members in 1977 while 6.7 per cent of its exports went to those countries. In comparison, only 0.9 per cent of EFTA's imports came from Spain in 1977 and just 1.3 per cent of its exports went to Spain.

Spain's exports to EFTA grew at a yearly rate of 18.7 per cent between 1965 and 1977. Although this rate was lower than the 21.7 per cent annual *growth rate of* all exports as a whole, Spain expects that the free trade agreement will allow it to gain new footholds in EFTA markets, and to demonstrate to themselves and to the rest of Europe that they are strong enough to hold their own as full members of the Common Market.

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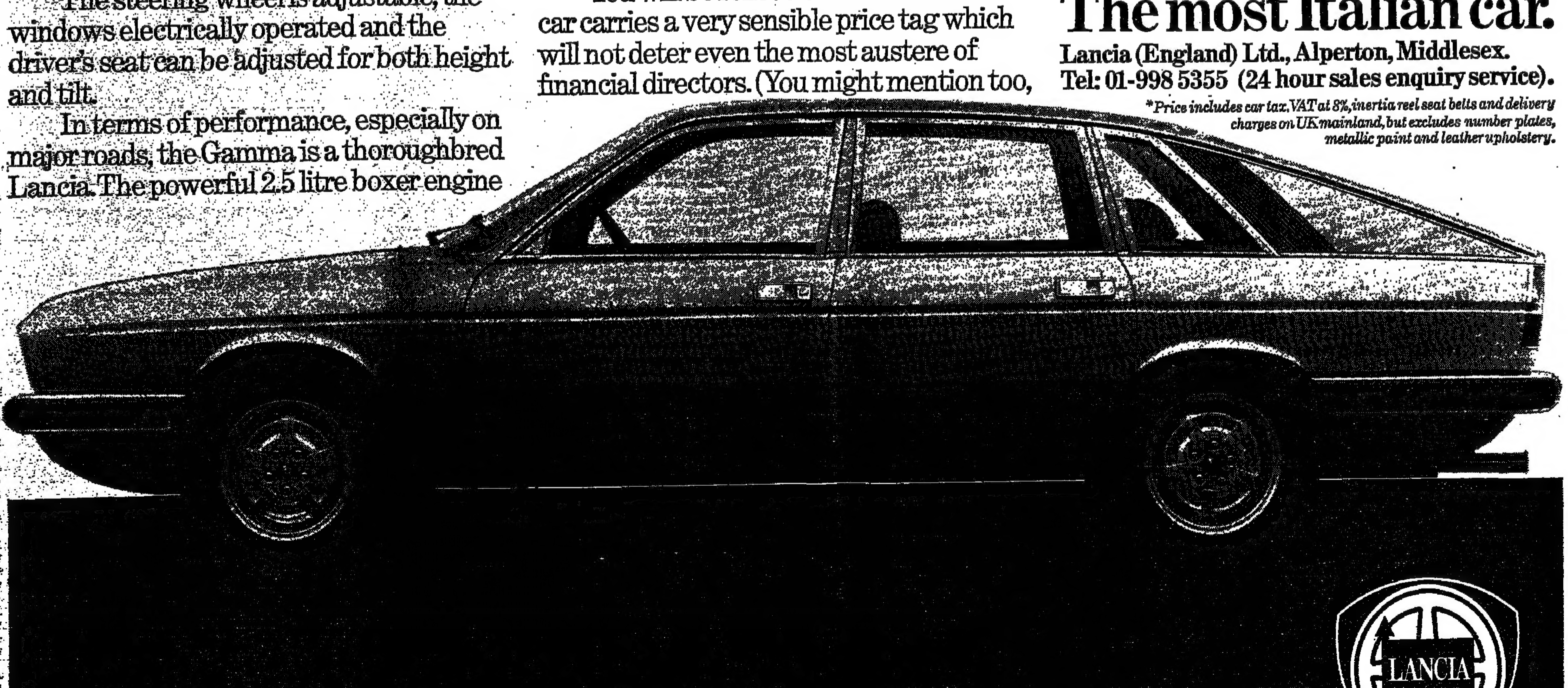

The Lancia Gamma Berlina. £7,135.83*

LANCIA

Potash mine's future to be decided soon

BY KENNETH MARSTON, MINING EDITOR

THE FUTURE of Cleveland Potash's Boulby mine in Yorkshire is assured only until the end of next month. The mine, jointly controlled by Charter Consolidated and Imperial Chemical Industries, has lost some £120m since it began production in 1973.

Charter and its partners in Cleveland Potash have jointly voted £8m more for the project, which will cover cash needs until the end of August, "before which time the future of the project will be reviewed by the partners."

At the same time, Charter has fully written off the remaining value of its 37½ per cent investment in Cleveland Potash. This is £11m, after deducting Charter's £5.8m share of the mine's loss for the nine months to December 31, and the appropriate tax relief.

A provision of £9.3m has been made by Charter against liabilities under guarantees on loan and leasing finance for Cleveland.

This clearing of the financial decks does not necessarily mean that Cleveland's fate is finally sealed. The mine, which has been hit by a combination of technical and labour problems, produced 212,000 tonnes of potash in the six months to June 30, compared with 249,000 tonnes in the previous 12 months.

Despite this notable improvement, the mine had an estimated loss in the latest period of £8m, of which £4.7m was an operating deficit and the remainder reflected depreciation and financial charges on external loans.

Production at times has been close to the estimated break-even level (on an operating basis) of 55,000 tonnes a month, but after a good performance in May, results in June were disappointing.

Storage snags

Originally the mining problems stemmed from the unusual undulating nature of the potash seam, which also varies in thickness and grade. And in an area without a mining tradition it has been difficult to maintain an adequate and stable labour force in this hot and gaseous mine, which goes down to some 3,800 feet.

New mining techniques and machinery have overcome many problems.

But the inability so far to store underground the waste salt, which has to be hoisted to the surface, has resulted in a low ratio of potash recovery to total material put through the plant.

Production has thus been well below plant capacity.

Cleveland is engaged in new wage talks, but while they will have a bearing on the future of the mine, the main consideration remains one of beating the production problems.

The decision to be taken by end-August, essentially one of whether to put even more money into the mine, seems to hang on whether target outputs of 55,000 tonnes a month can really be considered attainable. A statement is expected by early August.

If it should come to a decision to close, this would not rest with Charter alone. Agreement would have to be reached with the co-partner ICI, which takes the larger part of the mine's production.

There is always the possibility that ICI would prefer to keep the mine in operation and buy out Charter's interest, if the latter should decide to call it a day.

Lex Back Page: Charter results, Page 28

Whessoe lands £80m order

BY JOHN LLOYD

WHESSOE, the Darlington-based heavy engineering company, has won an £80m order to design and make several components for Britain's next two nuclear power stations.

The contract, the company's largest, was placed by the Nuclear Power Company on behalf of the Central Electricity Generating Board and the South of Scotland Electricity Board for the two 1320 megawatt advanced gas-cooled reactor stations at Heysham and Torness.

Mr. Ronald Bishop, Whessoe's managing director, said yesterday that the work would take five years to complete. Fabrication will begin in the next two weeks.

Whessoe will supply steel membrane liners for the concrete pressure vessels; steel support structures for the graphite core; the steel vessels that enclose the core; and some tubular access penetrations.

The company is the main supplier of such components to the UK nuclear power stations and has built pressure vessels and membrane liners for most stations completed or being built.

The order brings the value of home and overseas power station orders it has received in the past few months to more than £100m, and gross orders this year to £230m.

Whessoe's part of the Heysham and Torness stations will proceed independently of the main boiler and turbine generator contracts, which have still to be placed.

Doubt has existed in the industry on whether the main contracts would await the expected reorganisation of the Nuclear Power Company, although it is generally believed that they will be placed before any change in structure.

Penalties for inefficiency inadequate, NEDC told

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

INEFFICIENT management in British industry is insufficiently penalised, Sir Charles Villiers, chairman of the British Steel Corporation, told the National Economic Development Council yesterday.

Sir Charles, speaking a few days after his board had rejected his proposals for a radical reconstruction of the corporation's management, said that efforts against lack of performance were difficult because "ranks close when you try to do it."

Sir Geoffrey Howe, Chancellor of the Exchequer and chairman of the NEDC, agreed that lack of success was insufficiently penalised.

He and Sir Charles were speaking in an NEDC debate on improving Britain's productivity. The meeting was told that the level of value added for each man in UK manufacturing is "absolutely lower than in any other major industrial economy."

Comenting later on his statement about the lack of penalties, Sir Charles said: "This is a general tendency in industry. For 12 years I have been saying that under such circumstances of non-performance, both management and labour close ranks."

The meeting did not discuss what sort of penalties might be imposed. Sir Geoffrey's comment does not indicate Government plans to develop a precise policy.

However, Sir Geoffrey is thought to believe that companies might do more by examining employees' performance and denying merit pay rises or changing pay differentials.

Those present agreed that productivity was a "tired old word," Mr. Geoffrey Chandler, director general of the National Economic Development Office, said later.

"The word productivity is recognised as turning people off in the workplace," he declared. It was agreed that "effective use of all resources" was a more suitable description because it removed the idea that only labour productivity was important. "First and foremost, productivity is a management responsibility," Mr. Chandler said.

ANNUAL RATES OF GROWTH OF PRODUCTIVITY IN MANUFACTURING INDUSTRY, UK AND W. GERMANY, 1954-76

(percentages)

Period	Labour productivity UK	Labour productivity W.G.	Total factor productivity UK	Total factor productivity W.G.
1954-59	2.2	3.6	0.8	2.1
1959-63	2.0	4.3	0.9	2.0
1963-68	4.2	5.8	2.7	3.4
1968-72	3.1	4.5	0.6	3.0
1972-76	3.8	4.9	1.2	2.5

Source: M. Panic, ed., The UK and West German Manufacturing Industry, 1954-72, NEDO Monograph No. 5, updated

A paper he presented said that over the past 20 years the UK's growth in productivity had been well below that of Japan, Italy, France and West Germany.

One interpretation of the gap between the UK and other countries might be "the economy's past inertia." Until the inertia was overcome, there was "no particular hope for future relative improvement."

The NEDO paper named matters requiring urgent attention as inadequate or inappropriate education and training, particularly in technical skills, inadequate growth of capital per man; low productivity of new capital; short production runs and lack of standardisation; industrial relations friction and high manning; shortcomings in management techniques and the organisation of production; and inadequate design and marketing.

In a discussion on shortages of skilled workers in engineering, Mr. James Prior, Employment Secretary, suggested that an "Open Tech" might be set up similar to the Open University.

It is understood that Mr. Prior floated this idea to start a discussion. His Department has not drawn up detailed plans.

A joint paper by Mr. Chandler and Mr. Richard O'Brien, chairman of the Manpower Services Commission, says that many engineering companies are facing significant skill shortages that might quickly become more widespread and serious when demand for UK engineering products increases."

Some reports of engineering skill shortages have been exaggerated, it suggests, and the position has improved in recent months. But over the past three years, for example, the availability of toolmakers in the South-east has changed from there being two unemployed people for every vacancy to one unemployed for every three notified vacancies.

There is a substantial loss of skilled workers from the engineering industry, particularly in the under-35 age group.

A study of shortages in the Reading area led to a criticism of management. "Given the constraints on the supply of labour, firms need to use their existing workforces more efficiently," the paper says.

"Unfortunately, the evidence gained in the present inquiry suggests that many firms, including some large ones, do not have suitably qualified personnel or other experienced staff to achieve this."

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Row over electricity chief's TV statement

BY JOHN LLOYD

STATEMENTS MADE on television earlier this week by Sir Francis Toombs, chairman of the Electricity Council, have provoked strong reactions and some confusion in parliament and the electricity industry.

In the BBC-1 Panorama programme on Monday Sir Francis indicated that the planning margin—the amount of generating capacity over the assumed limit of peak electricity demand—would be raised from 28 per cent to 35 per cent. There is some confusion on whether Sir Francis meant the permanent planning margin or the plant margin, a temporary figure.

Mr. Leo Abse, the Labour MP, said yesterday that Sir Francis' statement, made during the annual conference of the National Union of Mineworkers, was clearly meant to provoke the miners, and to justify the expenditure of £900m on the advanced gas-cooled reactor station at Heysham.

Mr. Abse has tabled two questions on the issue for Mr. David Howell, the Energy Secretary, for answer next Monday. He is to ask if the decision to fund the Heysham station was taken on the basis of a planning margin of 35 per cent, and if such a margin is higher than that used in any other country.

The Electricity Consumers Council met yesterday to discuss the issue, and it is expected to make a statement today.

Friends of the Earth, the environmental pressure group, has written to Mr. Howell, demanding an explanation of Sir Francis' statement. The letter says that "we find it hard to believe that our power stations are so unreliable," and objects to the "nanny-knows-best attitude" of Sir Francis.

The Central Electricity Generating Board yesterday confirmed that the planning margin remained at 28 per cent. But it is possible the plant margin may rise substantially over two to three years as oil-fired and nuclear stations come on stream.

The oil-fired stations which should be completed in the early 1980s are Ince B (1,000 megawatts), Isle of Grain (3300 MW) and Littlebrook D (200 MW). The nuclear stations are Dungeness B, Heysham A and Hartlepool, all 1320 MW.

The oil-fired stations confront the CEGB with a severe problem at a time of steeply rising oil prices, and their future—certainly as base-load stations—remains uncertain.

Port of London plan calls for £41m aid

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE PORT of London will require between £17m and £59m of Government aid in the next five years, depending on the level of trade.

These figures are set out in the port authority's five-year corporate plan, which was sent to the Government last week and whose details were presented yesterday to trade unions.

On the basis of what the authority regards as the most likely trade out-turn, the requirement will be for £41m, excluding provision for contingencies, such as labour problems, and the effect of any capital reconstruction.

The papers issued yesterday confirm previous reports that the authority has withdrawn its insistence on the closure of at least one of the ailing upper dock complexes, in favour of a rationalisation of activity at both. This would mean cutting the number of active berths at the Royal and India-Millwall docks from 28 to 20.

According to the plan the option of closing one dock complex would involve as much Government financial support as would the retention of both on a scaled-down basis.

It says the outlook on profitability would be brighter with only one dock and that 650 additional jobs could be shed, but comments that there are "greater risks" in seeking to close a dock and transfer men.

Mr. Norman Fowler, Transport Minister, is being asked, in effect, to underwrite the level of financial support agreed by the previous Government: £35m to cover staff severance costs and £10m in loan guarantees.

He is expected to make a statement this month and it would be surprising if he were to resist the call for funds, £10m of which has already been absorbed.

A less firm proposal in the plan is for the transfer of all the port's surplus land up-river to a new authority responsible for developing docklands.

In return, the authority would like to see some or all of its £95m of external debt written off in a capital reconstruction.

If a write-off of £60m of Harbours Act investment loans were offered, the plan says, the authority would generate sufficient cash flow and reserves to meet all its financial objectives by 1983.

Without any capital reconstruction, the authority would still be making an overall loss in 1983. It lost £17.6m last year and forecast a loss of £19m this year.

The port's unions have recently agreed to a new one-year plan involving the shedding of another 800 men this year. By June 1980, this plan states, sufficient reductions should have been achieved to allow the authority to scrap its special voluntary severance scheme.

Lloyd's firms in $560m action

By John Moore

UNDERWRITERS AT Lloyd's are to contest the $560m legal action launched against them by Federal Leasing of the U.S. They are considering whether to file a counter-claim against Federal for the amounts that they have already paid to the leasing group.

The move follows a legal "complaint" against 55 underwriting syndicates last week by Federal's lawyers claiming $500m punitive damages, $50m compensatory damages and $10m arising from insurance claims on computer-leasing insurance policies.

As part of its legal action in response to Federal's camplaint, Lloyd's underwriters are considering whether the company has followed the "due diligence" clause of the contract.

Lloyd's has been flooded with claims on computer-leasing insurances, and the market treats the problem as it would a large run of claims on a "catastrophe," such as a hurricane.

Computer-leasing insurances were arranged by computer-leasing companies to insure against their customer terminating leases early. If they did, the computer-leasing company could claim on their insurances and cover their obligations to the financial lending institution which had staked its operations.

Trading in

When new IBM models came on to the market last year at a rapid rate, leasing companies found that customers had traded in existing models earlier than expected. They have claimed on their insurances.

Federal Leasing is the first to take legal action against the 55 Lloyd's syndicates, many managed by subsidiaries of some of the largest companies in the Lloyd's community.

Among syndicates affected are those managed by subsidiaries of Hogg Robinson Group, C. T. Bowring and Alexander Howden.

The computer-leasing "J" policy, designed by Adams Brothers Contingency, insurance brokers, has raised an internal controversy at Lloyd's.

Under Lloyd's rules the market is not allowed to underwrite financial guarantee insurance business. The ruling was established after a fraud in the 1920s.

Many market professionals regard the computer-leasing insurance business as a form of financial guarantee insurance, but Lloyd's official view is that since it insured a trading item and did not provide cover against insolvency, computer-leasing insurance did not fall into the category of financial

Dell to head Guinness Peat Group

MR. EDMUND DELL, the former Trade Secretary, will become chairman and chief executive of the Guinness Peat Group on August 1.

Lord Kissin will remain chairman, jointly with Mr. Dell until the annual meeting in October, when he will become president.

The office of president was approved by shareholders at an extraordinary meeting in October last year. The following month Mr. Dell left the Labour Cabinet after announcing his intention to go to Guiness Peat. He joined the Board in March as deputy chairman and heir apparent to Lord Kissin.

Lord Kissin said last night that he would continue to be available to the group, particularly in the international arena, and that he would leave all executive responsibility to his successor. The timing of the change had been agreed jointly with Mr. Dell, he added.

Stein said 'mud will fly', court told

BY JAMES BARTHOLOMEW

MR. CYRIL STEIN, chairman of the Ladbroke Group, warned the gambling business in May that "the mud would fly" if Playboy Club of London, a subsidiary of the U.S. public company, did not withdraw its objection to renewal of Ladbroke's London casino licences, South Westminster Licensing Magistrates were told yesterday.

The allegation was made by Group Captain Richard Stephens, general secretary of the British Casino Association, the Playboy Club, with the police, is objecting to the renewal of three Ladbroke London casino licences.

Group Captain Stephens, who was sub-poenaed by Playboy said that Mr. Stein was present at a meeting of the casino association on May 30 this year. Mr. Stein was not a member but had been co-opted. In the course of discussion about whether the association should give information to a government department Mr. Stein has remarked: "You must remember, we (Ladbroke Group) are the market leaders."

Mr. Victor Lownes, chairman of the Playboy Club of London and the highest paid executive in the UK according to the Guinnes Book of Records, interjected "so far."

Group Captain Stephens said: "Mr. Stein said he must warn Mr. Lowhes and other people present that if Playboy did not withdraw the objection to renewal of Ladbroke's licences that the mud would fly around and added that if it did fly around it would hit not only Playboy but everybody else."

Earlier in the hearing Superintendant Norman Mark, who headed the police investigation last year, was asked about the co-operation he had received from Ladbroke. "In terms of the higher level of management," he said, "absolutely none. In fact the reverse would probably be true."

Shares of Ladbroke fell 1[illegible] to 176p yesterday. They have now fallen 34p since the case began on Monday.

Airport passengers up 9% in May

NEARLY 3.7M passengers used the seven airports run by the British Airports Authority during May, nearly 9 per cent more than in May, 1978. For the 12 months to the end of May, 40.6m passengers used the airports, an increase of just under 14 per cent.

The busiest airport was Heathrow, which handled nearly 2.4m passengers during May, a rise of 7.6 per cent over a year ago. For the full year the rise was 11.5 per cent to nearly 27m.

During May, Gatwick handled 763,400 passengers, a 11 per cent increase with the full year total up by more than 20 per cent to over 8m.

Cargo at the seven airports—Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Prestwick and Aberdeen—increased by 10.3 per cent in May.

Bailey bid for Falmouth repair yard rejected

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH Shipbuilders has rebuffed a new attempt by Mr. Christopher Bailey to take over the Falmouth ship repair yard.

Mr. Bailey, chairman of Bristol Channel Shiprepairers, Britain's largest private ship repair company, was told at a meeting with British Shipbuilders yesterday that Falmouth is not for sale, pending the Government's expected announcement on shipbuilding policy.

Mr. Bailey said later that he was dismayed that British Shipbuilders was apparently able to disregard the Conservative manifesto pledge to offer for sale nationalised shipbuilding assets.

He said: "These people are simply resisting the break-up of their empires. The same thing could happen in other nationalised industries."

British Shipbuilders did, however, tell Mr. Bailey of the latest independent valuation of its assets at Falmouth, which is being run by a skeleton workforce after closure of the dry docks this year.

That suggested that the facility was worth £10m. "All worthwhile offers would be carefully considered," British Shipbuilders said.

The corporation's aim is to retain Falmouth for future development itself or for sale when the market is stronger.

It is talking to three or four bidders, including the Clydedock Engineering Company, owned by Mr. R. A. B. Butler, chairman of British Shipbuilders' Tyne Shiprepair Group.

WIMBLEDON

BY JOHN BARRETT

Top women's seeds in repeat of 1978 final

MARTINA NAVRATILOVA and Chris Evert Lloyd, the first and second seeds, will meet in tomorrow's women's final at Wimbledon. Both scored straightforward victories in their semi-final matches yesterday. Miss Navratilova defeated Tracy Austin, the 16-year-old American, 7—5, 6—1, and Mrs. Lloyd beat Evonne Cawley, 6—3, 6—2.

Both matches promised so much; both produced so little. Now the top two women, who played such a wonderful final in the Colgate Tournament at Eastbourne recently, with Mrs. Lloyd winning 13—11 in the third set, will stage a repeat of last year's Wimbledon championship match.

Miss Navratilova, 23, who holds a career record of 10 victories to three over Miss Austin and had won their last five meetings, struggled in the first set, as she had done in her two previous rounds.

Miss Austin broke service in the opening game, but was then under tremendous pressure as the champion swept through the next three games and had a point for a 4—1 lead, only to serve a double fault and then net a forehand volley.

This reprieved, the little Californian girl took the next three games to lead 5—3, and at 5—4 served for the set, only to be broken in turn.

Miss Austin was unlucky when, at 15—30, a Navratilova shot appeared to fall beyond the baseline but was called good. Miss Austin made one of her rare complaints but was overruled, and it turned out to be a vital point. She lost the game and, despite having a break point, lost the next one too.

Her service, always so vulnerable, was under pressure in the next game as the self-exiled Czech girl pressed home her advantage and finally clinched it on her fourth set point, when Miss Austin put a backhand over the baseline.

The first set had lasted 46 minutes, but the second was much briefer. Having lost the final four games of the first set, Miss Austin then conceded the first five of the second set, and the match was ended as a spectacle.

Miss Austin had her opportunities, notably in the second game, when she held two break points; but her weak second service was always a liability and will remain so against such a strong competitor as Miss Navratilova.

The match between Mrs. Lloyd and Mrs. Cawley, their 31st in the past seven years, with the American holding a clear advantage, was disappointing. So much had been expected of the Australian, but she was sadly at odds with her forehand. Apart from a brief spell at the beginning of the second set, the former Miss Evert dominated matters to reach her fifth Wimbledon final in the past seven years.

Hugh Routledge

Chris Lloyd and Martina Navratilova in action yesterday.

Vickers da Costa gives up traded options role

BY CHRISTINE MOIR

VICKERS DA COSTA, one of the founders of the traded options market, is to withdraw from its role of market maker.

Its move, which leaves only one other broker competing against the jobbers as a market maker, comes when the Stock Exchange is intensifying its pressure for the removal of the tax anomalies which are holding back the growth of volume in traded options.

Mr. Peter Stephens, chairman of the Stock Exchange's options committee, said he was confident that the anomalies would be "removed in due course."

But it was far from clear whether there were hopes of appropriate amendments in the current Finance Bill.

The Government had promised a complete review of Capital Gains Tax and Mr. John Clay, the options partner of Vickers, felt that this could delay any quick moves to amend the present tax position.

Brokers who buy and hold underlying shares as protection when they write a traded option have to pay stamp duty at 2 per cent. Jobbers are exempt from this and are therefore at a considerable competitive advantage.

Britain may subsidise two ships for Angola

BY LYNTON McLAIN

AUSTIN AND PICKERSGILL is to build two ships for the Marxist Government of Angola in a contract which may be subsidised by the British Government.

The shipyard confirmed the order yesterday only a day after the Prime Minister gave the yard permission to continue with subsidised orders for Vietnam despite protests from Conservative MPs.

Mr. Michael Grylls, MP for Surrey NW, urged Mrs. Thatcher on Tuesday to cancel the Vietnam contract in view of that country's "abhorrent policies."

Angola is to buy two £5m SD 14 general cargo ships originally ordered by an overseas company, understood to be Alafouzous Shipping of Greece. The ships were resold to Angola through agents.

In return for transferring the order, the Greek company is to buy at least two larger bulk carriers from Austin and Pickersgill.

But unlike the original order for SD 14s which was not subsidised, the new order is expected to be based on aid from the British Government's £85m shipbuilding intervention fund. This provides up to 30 per cent of a contract price to bring British yard tenders into line with more competitive offers from overseas.

U.S. computer company closes factory

COMMODORE BUSINESS Machines, the California-based calculator, digital watch and personal computer company, is to close its factory at Eaglescliffe, Cleveland.

The factory employs about 80 people in the assembly of the company's PET personal computers. All manufacture will be transferred to the company's new factory in California, and plans to manufacture the machines in Europe appear to have been abandoned.

About two years ago, when the factory employed 180 people assembling hand calculators, Commodore decided to transfer production to the Far East, where labour costs were lower.

Commodore said yesterday that the company was transferring its UK headquarters to Slough.

Renoir fetches £610,000

SALEROOM

BY ANTONY THORNCROFT

A PAINTING by Renoir, "Le Percheur à la ligne," which had been bought at Christie's by Mr. Nigel Broackes, chairman of Trafalgar House, for £483,000 in 1971, was sold by him at Sotheby's yesterday for £610,000, plus the 11.5 per cent buyers' premium and VAT. It is the second highest price paid at auction for a Renoir, just short of the record £645,000 paid in 1968.

The buyer was an anonymous French bidder. The painting, a work of 1874, had originally sold for Frs180 at the famous auction organised by the Impressionists themselves in 1875 to gain money and recognition.

The Renoir fetched the top price in a sale of Impressionists which totalled £3,578,300, bringing the series of auctions of Impressionists and Moderns at Sotheby's this week to over £7.7m. All the signs are that this is a buoyant market again with Japanese and Swiss buyers particularly active. In the same sale yesterday another Renoir "Femme en bleu," made £138,000.

Also at Sotheby's, paintings and drawings, the property of the Modern Art Foundation Geneva, made £520,000. A Los Angeles collector, bidding by telephone, gave £37,000 for "Les Ramasseuses de Marrons" by Georges Lacombe while "La Toilette" by Louis Valtat sold for £28,000.

An album of 72 etchings from "Le delisie del fiume Brenta" by Giovanni Costa, fetched £12,000 in an auction of prints at Christie's yesterday.

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Electronic device may save Tube fuel

By Lynton McLain

EXPERIMENTS TO save energy on London's Tube trains will be discussed by a Greater London Council committee on Monday.

The plans were drawn up by the GLC planning and transport department and might cut £2.4m from London Transport's electricity bill by early next century.

Trials have begun with new, electronically controlled energy-efficient trains for the Jubilee Line, but London Transport doubts whether the electronic devices used are the best means of saving energy.

Final results of the trials are expected by next summer and London Transport will accept or reject plans for introducing 14 of the new trains fitted with thyristor controls.

They replace conventional electro-mechanical equipment for controlling the current to train motors and provide smoother acceleration with less power wastage.

Investment

Dr. Gordon Taylor, chairman of the GLC London Transport committee said that thyristors could also be used for regenerating or recycling energy lost as heat in braking. London Transport, however, is not convinced that thyristors are the right answer to energy regeneration.

Meanwhile, trials will continue and the GLC London Transport committee will be urged by the planning department on Monday to approve a £17.6m investment for 14 new trains and three spare carriages for the Jubilee Line.

● London Transport has asked the GLC to approve a seven-year £4.1m investment plan for centrally controlled public address systems for stations.

Mr. William Maxwell, managing director of the Tube system, said: "When delays occur, passengers expect to be kept fully informed. The equipment will help us pass on information more quickly."

BP forced to pay £54m to Nigeria

BY DAVID FREUD

BP, THE British oil major, has had to pay £54m unexpectedly to the Nigerian tax authorities as the result of a financial re-organisation within the UK.

The assessment, for capital gains tax, was wholly unforeseen by the company when it undertook the re-organisation in 1972 and led to an extraordinary charge on the 1977 company accounts.

The Nigerians are believed to have made use of the old—now inoperative—double tax convention with the UK. Yesterday Mr. Quentin Morris, BP group finance co-ordinator, said it would not have happended under an ideal convention.

The Nigerians are known for their hard line on tax and revenue-raising from foreign business, particularly multinationals.

BP fought the assessment for several years before conceding the tax liability. However, while the amount of the levy was stated in the 1977 accounts, the group has always refused to name the country involved.

It is believed that the tax liability arose because BP shifted its financial interests through Nigeria temporarily in the course of the re-organisation.

London and E. Midlands top economic growth tables

BY DAVID FREUD

THE REGIONS with the fastest economic growth in 1977 were the East Midlands, Greater London and Yorkshire and Humberside, according to official figures released yesterday.

Northern Ireland, the North and the South East, outside London, all performed relatively poorly, says a special article in the Central Statistical Office's Economic Trends for June.

Total gross domestic product in the UK grew by 2 per cent between 1976 and 1977. The East Midlands outperformed this national average by 2 per cent, Greater London by 1.5 per cent and Yorkshire and Humberside by 1.2 per cent.

East Anglia's GDP growth per head was 4 per cent below the average, Northern Ireland's 2.7 per cent and the South East's (excepting London) 1.6 per cent.

The office says there seemed to have been a change in the pattern of regional growth in 1977.

Between 1971 and 1976 the fastest-growing regions were those benefiting from regional development aids — the North, Scotland, Wales and Northern Ireland. However, in 1977 all these regions except Wales grew by less than the national average.

Greater London remained the area with highest per capita output — 23.5 per cent above the average for the UK in 1977.

The poorest area remained Northern Ireland, whose output was 20.3 per cent below

Ulster rope factory to close

BY OUR BELFAST CORRESPONDENT

BELFAST ROPEWORKS, a subsidiary of the Ulster-based McCleery L'Amie group, is to close a rope, twine and carpet-fibre factory at Ballygowan, near Belfast, with the loss of 200 jobs.

Sir Desmond Lorimer, the group chairman, said in his last report that losses would not be tolerated indefinitely. It now appears that steps last year to reduce costs have proved insufficient.

The company blames its unprofitability on high production costs and the remoteness of the factory from its main market in Great Britain, bringing high transport costs.

It said that supplies of ropes and twines to customers would be "unaffected by the closure."

● The Northern Ireland Department of Commerce has told Antrim Crystal, a Belfast glassware company, that no further Government support will be forthcoming.

The factory, which employs 120 in the unemployment black spot of West Belfast, is expected to close soon. Production will be concentrated in its sister company, Tyrone Crystal, at Dungannon.

The Belfast factory has had a poor labour relations record since it was set up four years ago.

Government officials believe that it cannot be made viable.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
1st qtr.	107.9	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.8	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.5	105.2	103	110.7	266.6	1,380	213
4th qtr.	110.0	102.6	111	111.7	273.0	1,340	230
1979							
1st qtr.	105.9	101.4	101	110.3	276.4	1,351	234
Jan.	103.4	93.4	94	109.6	273.1	1,339	236
Feb.	110.7	103.5	105	110.4	275.4	1,363	231
March	112.5	107.2	104	110.8	279.8	1,350	236
April	115.9	108.5		115.4	290.5	1,311	250
May				113.5	289.2	1,307	257
June						1,280	262

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	98.8	116.3	99.9	96.6	98.0	17.8
2nd qtr.	108.0	98.1	122.4	99.8	107.4	101.2	27.1
3rd qtr.	108.0	99.7	123.2	100.7	101.2	103.6	23.0
4th qtr.	105.5	96.9	123.3	96.6	97.6	101.9	20.2
Dec.	106.0	98.0	126.0	99.0	102.0	102.0	15.8
1979							
1st qtr.	104.0	98.2	125.6	98.3	97.1	99.3	12.7
Jan.	99.0	92.0	117.0	92.0	77.0	95.0	10.1
Feb.	104.0	100.0	129.0	100.0	102.0	100.0	12.7
March	108.0	103.0	130.0	103.0	113.0	103.0	15.4
April	108.0	103.0	131.0	103.0	109.0	101.0	17.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
1st qtr.	119.6	113.5	− 590	−369	−620	105.7	20.63
2nd qtr.	122.2	109.7	− 173	+208	−414	104.9	16.75
3rd qtr.	124.8	114.9	− 367	+154	−501	106.1	16.55
4th qtr.	124.8	112.3	− 39	+450	−480	106.9	15.77
1979							
1st qtr.	110.3	113.3	−1,181	−787	−237	107.7	16.78
Jan.	113.0	107.1	− 126	+ 6	− 62	107.4	16.26
Feb.	100.7	117.0	− 766	−635	− 78	108.1	16.62
March	117.3	115.7	− 289	−158	− 97	107.4	17.45
April	128.4	127.2	− 327	−217	−114	108.9	†21.47
May	133.6	127.8	− 185	− 25	− 54	108.0	21.53
June							22.07

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,373	6½
2nd qtr.	10.1	15.0	24.5	+2,800	694	1,506	10
3rd qtr.	17.2	8.3	8.6	+ 591	746	1,541	10
4th qtr.	15.1	13.0	8.7	+1,875	878	1,576	12½
1979							
1st qtr.	7.2	10.1	32.7	+1,672	777	1,586	13
Jan.	14.6	18.9	21.2	+ 801	289	525	12½
Feb.	17.6	2.06	24.1	+1,089	231	531	14
March	7.2	10.1	32.7	− 263	257	530	13
April	16.8	7.2	19.1	+ 846	343	572	12
May	12.9	7.9	20.5	+ 945	309	624	12
June							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.5	208.9	218.8	268.83	64.1
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
March	143.7	153.5	163.2	210.6	220.2	268.83	65.0
April	144.3	158.3	165.3	214.2	221.6	277.11	66.9
May		160.7	167.2	215.9	224.0	279.20	67.4
June						293.55	69.5

* Not seasonally adjusted. † Reserves: now revalued annually, new estimates.

Plan to prepare school pupils for next century

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A POLICY for redirecting the school system as a whole towards preparing youngsters to live and work in the next century was introduced in London yesterday by the Schools Council.

The council supervises the curricula and examinations for schools in England and Wales. Its convocation includes teachers and representatives of the CBI and TUC and other educational interests.

The council had previously concentrated on detailed aspects of schooling. But Mr. John Tomlinson, its chairman, told the convocation that a more general approach was required to equip children with the skills and knowledge made necessary by social, economic and technological change.

Among the council's new priorities will be measures to develop an appropriate examination system which assesses candidates fairly according to standards which are comparable throughout the country.

Buying video recorders is cheaper—Which?

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A RECOMMENDATION to buy rather than rent a domestic video recorder is made today in Which? magazine, published by the Consumers' Association.

The recommendation will surprise many potential users of home video equipment, since it had generally been assumed that the rapidly changing technology in video recording made it more economic to rent.

"Which?" says that buying a video-recorder and taking out a maintenance contract works out cheaper than renting.

"You'd save most money if you intended to keep the recorder for a long time—but you'd probably still save money by buying, even if you intended to trade the recorder in for a new model after a year or two."

Which? also reports that the repair of domestic electrical equipment was still a major concern for many consumers.

Its survey of repairs, made by 5,000 consumers in the past year, shows that service calls are easier to arrange and service men arrive sooner, the repair man takes as long to fix the problem as he did two years ago. In one case out of three the consumer was dissatisfied.

The Electricity Boards received most criticism on length of time before repairs, but were cheaper than other repairers.

Volkswagen expects to lead diesel car sales in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VOLKSWAGEN EXPECTS to overtake Peugeot to become market leader for diesel cars in Britain in 1979.

The importer, Volkswagen (GB), a Lonrho subsidiary, maintains it will sell 2,000 diesel cars this year now that supplies of the diesel version of the VW Golf are more plentiful. This is partly because technical problems Lucas CAV experienced over the supply of fuel injection equipment for the diesel engine have been resolved.

The CAV DPA rotary fuel injection pump is being supplied at the rate of 300 a day from components made at plants in Sudbury, Suffolk and the Medway towns. The contract is estimated to be worth £9m-a-year to Lucas CAV.

Now the problems have been solved, Golf diesel production has been lifted to 900 a day. (Bosch of West Germany supplies the rest of the fuel injection pumps.) The 2,000 diesel cars VW (GB) expects to sell this year compares with the 858 diesel cars sold in 1978 by the Peugeot importer and previous market leader.

The VW success seems bound to expand the total UK market for diesel cars which is a long way behind most Continental markets.

Last year only 3,535 diesel cars were sold in Britain—representing just 0.22 per cent of total registrations. This compared with more than 6 per cent in France and around 5 per cent in Italy, West Germany and Belgium.

But the Society of Motor Manufacturers and Traders continue to press the Government not to legislate in favour of diesel-engined cars, as has happened in some other countries, but to allow demand to find its own level.

Behind this advice is the fact that UK manufacturers so far do not offer British-built diesel engines for cars. There have been rumours that BL might put a diesel version of the Princess on the market this year but the introduction seems to have been delayed.

Demand for the diesel VW Golf has been high in both Europe and the U.S. (where the car is sold as the Rabbit) but supplies have been severely limited. About four out of ten Golfs ordered are asked for in the diesel version. In the past many customers have changed to the petrol-engined type when told about the long waiting list.

VW claims the diesel Golf can achieve 60 mpg in urban driving and an overall consumption of 50 mpg "is what most drivers could expect to achieve." But as the diesel version costs about £600 more than the petrol-engined type, owners would have to cover considerable mileage in Britain to make the purchase pay.

World oil demand will fall —Shell

BY SUE CAMERON

SHELL EXPECTS world oil demand by the end of next year to be 2m to 2.5m barrels a day down on its previous prediction.

But the group believes the drop in demand for oil will be the result—at least partially—of a global recession.

Shell forecasts that oil demand worldwide—excluding the Communist bloc—will be around 52m barrels a day next year. Before the revolution in Iran and the subsequent rise in crude prices, the group estimated that world demand in 1985 would reach 65m barrels a day. But now it believes that demand in 1985 will be only 55m barrels a day.

The group believes nothing can now prevent Western nations going into recession this winter because of the dramatic increases in oil prices over the last few months. But it expects oil prices to stabilise by about the end of the first quarter of next year.

Shell says oil consumption this year is already 0.25m barrels a day lower than was expected, partly because of the cutback in crude supplies and partly because of voluntary conservation. It estimates there will be an oil shortfall of around 0.5m barrels a day this winter unless Saudi Arabia increases her production.

The group says that if Saudi Arabia does increase her oil production by 1m barrels a day next winter will be considerably less painful than it would otherwise have been.

But Shell stresses that its projections assumes there are no more major upsets in the oil market.

● Funds invested in the oil industry and commodity producers are leading the unit trust industry's league tables of investment performance so far this year.

The best performer in the first six months of this year is the Britannia group's Universal Energy fund, which is invested heavily in oil shares.

The Key group's Energy Industries fund is in sixth place and the Chieftain group's oil-oriented Basic Resources in eighth.

The top ten performers include three commodity funds, Britannia's Oriented Minerals fund, Target Commodity and Britannia Commodity.

The best-performing group is Britannia with eight funds among the top 30 in the first six months of this year.

Training boost for doctors in industry

By Dr. David Carrick

GROWING public concern with environmental matters, particularly employment, has led the managerial and unions sides of industry to realise that doctors working in industry require special training, according to Dr. Peter Taylor, vice-dean of the Faculty of Occupational Medicine of the Royal College of Physicians.

Speaking at the Royal College on the first anniversary of the faculty's foundation Dr. Taylor, who is the senior medical officer of the Post Office and responsible for the care of 410,000 people, said that doctors in industry today must have much more than clinical expertise. They must have an understanding of both management and unions.

He said that about 700 full-time and 2,000 part-time doctors are estimated to be working in occupational medicine. They are expected to advise on an increasingly wide variety of apposite problems.

Ethical difficulties can arise for these doctors, he said, and he emphasised that any doctor in this field must preserve the professional code and avoid being seen as "a tool of management" or to be "in the pocket of the unions."

House prices up 8% in 3 months

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

HOUSE PRICES rose sharply in the second quarter of 1979 after modest increases at the start of the year.

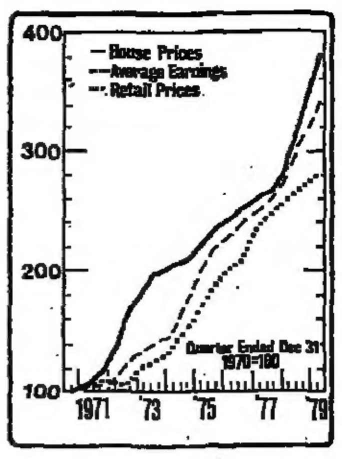
Figures published yesterday by the Nationwide Building Society show that average prices went up by 8 per cent between April and the end of June, against an average 5 per cent rise recorded in the first quarter. The Society estimates that prices in London rose during the second quarter by 11 per cent.

According to Nationwide, average house prices throughout the country in the twelve months up until the end of June showed a rise of 31 per cent, against a 26 per cent average recorded for the twelve months of 1978.

The biggest increase has been in the greater London area, where average price rises have been 40 per cent. The smallest increases, about 20 per cent, were recorded in Scotland and Northern Ireland.

Nationwide says there has been little difference in the rate of price rises between new and secondhand properties and points out that all the increases have been well above those recorded for retail prices or average earnings. As a result, the average house price is now about three and a half times average earnings, bringing the relationship back to its 1974 level.

The prospect for house prices throughout the remainder of the year remains uncertain, although they can now be expected to stay fairly closely in line with the increase in average earnings.



Mr. Leonard Williams, chief general manager of Nationwide and the new chairman of the Building Societies' Association, said the present 2 per cent a month rise in prices reflected the continuing high level of demand from home buyers.

He said that the acceleration in prices at a time when building society lending had fallen suggested that the level of mortgages granted was not responsible for the increases. Home buyers, he emphasised, were not borrowing more, either in relation to their incomes or the price of houses.

He added: "Home buyers appear to expect prices to continue rising and to prove a good investment at a time of increasing inflation. Consequently, to buy now, they are prepared to draw on their savings to a greater extent or borrow more from relatives or friends, while existing owners have an increasing equity to reinvest in the purchase of another home."

Foreign companies like North-West

MOST OVERSEAS companies setting up operations in the North-West say it has been a success. Only three of 114 foreign companies which moved into the region since 1962 voiced general dissatisfaction.

The North-West Industrial Development Association commissioned research into investment attitudes and experiences of a sample of 198 foreign-owned companies.

The survey, by Research Services of London, found that 106 of the 198 planned to expand their operations. "This is a clear indication of the success of their establishments," the association said in a summary of findings published in Manchester yesterday.

Mr. Clifford Chapman, association director, said the results of the research "amounted to a pat on the back"

Grand Met. to move into franchised food outlets

By David Churchill

GRAND METROPOLITAN is planning to enter the rapidly growing fast-food business in the UK with a chain of franchised stores, which will be called Huckleberry's.

The company said yesterday that its Chef and Brewer subsidiary had concluded a deal with the U.S. company Burger Queen for the sole rights to its operation in the UK.

Burger Queen operates 150 fast food outlets in the U.S. and has plans for 50 more this year. The Huckleberry's outlets in the UK will be franchised to individual customers and will sell hamburgers, chicken and fish.

Mr. Maxwell Joseph, chairman of Grand Metropolitan, said that this was "the first time that a major company in the brewing industry has embarked on an enterprise of this nature —a 100 per cent fast food catering operation entirely independent of any pub connotation."

Chef and Brewer, the subsidiary which will operate the franchise, already runs inns, restaurants and wine bars.

The first store opening is planned in late September in North London.

Arts Council will give book prizes worth £22,500

THE ARTS COUNCIL is to award three literature prizes of £7,500 each annually.

In the first year there will be three categories: fiction, biography or history, and children's literature. There will be a presentation medal in each category.

The awards will be called the National Book Awards. The first ones will be announced next spring to cover books published in 1979.

The scheme will be financed out of funds already allocated for literature by the council. Categories will change each year, and poetry will be included in the second year.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In the Matter of
PENN CENTRAL TRANSPORTATION COMPANY,
Debtor.

In Proceedings for the Reorganization of a Railroad
No. 70-347

NOTICE OF EXCHANGE AND AVAILABILITY OF NEW SECURITIES OF THE PENN CENTRAL CORPORATION

Pursuant to Orders entered by the United States District Court for the Eastern District of Pennsylvania (Reorganization Court), the Plan of Reorganization (Plan) for Penn Central Transportation Company became effective on October 24, 1978, at which time the name of Penn Central Transportation Company was changed to The Penn Central Corporation. First Pennsylvania Bank N.A., through its agent, Fund/Plan Services, Inc., Philadelphia, Pennsylvania, has been named Exchange Agent for the purpose of distributing cash and securities of The Penn Central Corporation to the claimants entitled thereto pursuant to the Plan. At the same time, the Reorganization Court directed that no distribution be made to holders of certain bonds which were the subject of appeals which had been filed by the trustees under the indentures securing such bonds. For those appeals which were finally resolved earlier this year, the Reorganization Court directed that distribution of cash and securities should commence after March 27, 1979.

BONDS NOW ELIGIBLE TO BE EXCHANGED

The Reorganization Court has now directed that holders of the following bonds will, upon surrender of such bonds, be entitled to receive cash and securities of The Penn Central Corporation:

New York Central and Hudson River Railroad
Refunding and Improvement Mortgage 4½% Series A
Bonds and 5% Series C Bonds due October 1, 2013

At this time, holders of such bonds shall be entitled to receive cash, Series A Bonds, preference stock and common stock to which they are entitled pursuant to the Plan as originally approved and confirmed by the Reorganization Court. Subsequently, such holders will be entitled to receive such additional Series A Bonds and such Series B Bonds as may be determined in accordance with the decision of the United States Court of Appeals for the Third Circuit.

EXCHANGE PROCEDURES

A Letter of Transmittal with instructions for surrendering such bonds in exchange for cash and securities of The Penn Central Corporation has been mailed to each holder as of June 22, 1979, whose address was known. These documents were not mailed to holders whose addresses are unknown, or whose identities are not known because their bonds are in bearer form. If you own any of the bonds listed above and you have not received a Letter of Transmittal, you may obtain a copy by completing the form below and mailing it to the Exchange Agent.

SPECIAL NOTICE CONCERNING BONDS NOT TO BE ACCEPTED FOR EXCHANGE AT THIS TIME

There is a possibility that the treatment under the Plan for the following bonds will be the subject of further judicial review:

New York Central and Hudson River Railroad Michigan Central
Collateral 3½% Bonds due February 1, 1998

The Reorganization Court has not authorized distributions to holders of these bonds. The Court has reserved jurisdiction to authorize and direct the distribution of whatever amounts of cash and securities to which such bondholders are ultimately determined to be entitled as a result of the appeals or proceedings on remand after the appeals. Consequently, at this time the Exchange Agent will not accept any of these bonds for exchange. If you deliver for exchange any of these bonds, the Exchange Agent will return the bonds to you.

First Pennsylvania Bank N.A.
c/o Fund/Plan Services, Inc.
P.O. Box 8717
Philadelphia, PA 19101

Please send a Letter of Transmittal with Instructions in respect to the Plan of Reorganization for Penn Central Transportation Company, Debtor, to:

Name ______ (PLEASE PRINT)

Street ______

City ______ State ______ Zip Code ______

Name of Bond ______

Equitable petrol distribution urged

BY IVOR OWEN

THE OIL companies were urged by the Government last night to ensure that petrol supplies are distributed equitably throughout the country.

"The oil industry must find a solution to the distribution problem if government intervention, with all that entails for industry and for consumers, is to be avoided," Earl Gowrie, Minister of State for Employment told the House of Lords in a debate on the world energy crisis.

While re-affirming the Government's reluctance to intervene, he assured peers that contingency plans had been prepared for the introduction of rationing.

But, as Mr. David Howell, the Energy Secretary, had already made clear, the Government did not believe that such action was justified at the present level of shortfall in oil supplies.

Lord Gowrie acknowledged that at present the petrol shortage was more acute in some areas than others, and underlined the Government's willingness to seek the co-operation of the oil companies in overcoming difficulties where real hardship was being caused.

He promised that the Government, local authorities and nationalised industries would step up their efforts to promote energy conservation, and called on the private sector to do the same.

Like the Prime Minister and Mr. Howell, he emphasised the important role of higher prices in encouraging demand restraint and insisted: "It would be quite wrong and damaging to insulate the consumer from the true cost of oil and oil products."

The minister expressed concern about the decline in exploratory drilling operations in the North Sea and announced that this aspect is being given special attention in the review which the Government is making on the role of the British National Oil Corporation.

"We are going to give first priority to the recreation of conditions in which enterprise can flourish—enterprise means risk and risk means the possibility of rewards."

He complained that BNOC had not encouraged the growth of risk taking, and at times had acted as a disincentive to the smaller companies.

Lord Gowrie also confirmed that the Government wants to see nuclear power stations playing a bigger part in Britain's mixed fuel economy.

Lord Strabolgi, who opened the debate from the Opposition front bench, pointed to the "dramatic" effect already caused by the energy crisis, with petrol stations closing and the price of 4-star petrol going up to £2 a gallon in some areas.

He pressed the Government to make its intentions clear on the future of BNOC.

A Liberal peer, Lord Simon questioned whether the allocation of fuel could just be left to the oil companies.

"As the oil position gets worse, I believe some form of rationing will be necessary," he declared.

Lord Simon maintained that "rationing by the purse" would be more unfair than any form of rationing, particularly in rural areas where peoples needs were greater while their purses were often slenderer than those in towns.

Refugee conference request

THE GOVERNMENT was urged in the Lords yesterday to insist that Russia and China be represented at the United Nations' Geneva conference on the plight of the Vietnamese "boat people."

Labour peer Lord Shinwell said the Government should have requested the UN Security Council be convened immediately to enable Russia and China "to explain their inability to act."

If these two countries did not attend, the conference would be "a waste of time," Lord Shinwell said during question time.

Police change

IN A BREAK with tradition, the Police Federation of England and Wales has invited Tory MP, Mr. Eldon Griffiths to continue as its Parliamentary consultant. He has accepted.

The Federation traditionally employs a consultant from the Opposition but this time they could not obtain the services of the former consultant, Mr. Alf Morris (Lab., Wythenshawe).

Poverty plea

Companies should provide their low-paid workers with free transport, free meals and child minding facilities, a Labour MP urged today. Such improvements would enable families in the "poverty trap" to improve their living standards without the risk of losing social security benefits, said Mr. Frank Field (Lab., Birkenhead).

Fuel assurance

TOURISTS going to Scotland this summer will find enough petrol to enjoy their holidays, the Government promised yesterday. Scottish Secretary George Younger gave this assurance after MPs had expressed fears of "petrol deserts" in Scotland, during Commons question time.

An Opposition spokesman on Scotland, George Robertson, said there were still "widespread shortages" of fuel throughout Scotland, while Liberal leader David Steel said the Scottish borders were particularly badly hit.

Opera freehold

THE Government is negotiating to buy the freehold of the Royal Opera House, Covent Garden, Mr. Norman St. John-Stevas, Arts Minister, announced in Parliament.

Labour fails to hold down VAT on building repairs

BY JOHN HUNT PARLIAMENTARY CORRESPONDENT

A LABOUR attempt to exempt repair and maintenance work on buildings from the increased 15 per cent rate of VAT and keep it at the old rate of 8 per cent, failed in the Commons last night by 6 votes (286-318).

Mr. John Horam, a Labour Treasury spokesman, maintained that if the rate went to 15 per cent it would mean that young people would no longer be able to afford to buy old properties and modernise them.

Small scale builders—the very people whom the Conservatives claim to be assisting—would also be hard hit by the increase.

But the Labour amendment was opposed by Mr. Peter Rees, Minister of State at the Treasury. VAT, he said, had to be a broad-based tax. It would cost the Exchequer £100m in lost revenue if the amendment were accepted he said.

At the same time Mr. Rees indicated that the Government hopes to do something to assist the owners of historic and listed houses who face the higher VAT rates on repairs and maintenance of their properties.

There were strong protests from both sides of the Commons about the impact that the 15 per cent rate would have on repairs to houses which were part of the national heritage.

Mr. Rees said that it was hoped in the months ahead to evolve a broadly based strategy on this matter which would find bipartisan support in the Commons.

It could be, he said, that this would involve some form of fiscal relief or positive subvention for historic houses.

Mr. Norman St. John Stevas, Leader of the House, who is also responsible for the Arts, was playing a part in the study which was now being carried out.

Mr. Patrick Cormack (C. Staffordshire S.W.) led Tory protests about the "iniquities" of VAT on listed buildings.

He urged the Minister not to rule out the possibility of zero rating of such buildings for VAT purposes.

But Mr. Rees told him not to place too much weight on such hopes as an EEC directive obliged the Government not to extend zero rating of VAT.

Another Labour amendment seeking to exempt laundry services from the 15 per cent rate of VAT was rejected by a majority of 81 (293-212).

Six more factories for Wales

By Robin Reeves, Welsh Correspondent

A FURTHER six Welsh advance factories were allocated by Mr. Nicholas Edwards, the Secretary of State for Wales, yesterday. All but one are near British Steel Corporation's East Moors steelworks, Cardiff, which was closed last year with the loss of 3,100 jobs.

The new factories should eventually employ a total of 200 people. The biggest is a 25,000 sq ft Welsh Development Agency unit allocated to John J. Dunster for the manufacture of television and audio equipment, which is due to provide 130 new jobs.

Four other companies will occupy smaller units not far from East Moors. Richard H. Powell and Partners, is to manufacture raised storage platforms. Plastres will assemble printed circuit boards. Eurocom Data will be transferring computer-held information on to microfilm, and Flexon Electronic is to produce industrial control systems.

A sixth Welsh Development Agency unit is to be taken over by Veenaprop in Barry for plastic processing.

● Sales of Welsh craft products should total more than £6.5m in the coming year, according to Mr. Jim McKendry, general secretary of the Wales Craft Council.

Mr. McKendry said in Cardiff yesterday that since its first sponsorship—the St. Brieuc Fair, in 1977—the council estimated that its trade fair and other promotions had resulted in orders worth £9.5m. This was made up of just over £2m in orders at stands and £7m in follow-up orders.

He said that all stand space for the 1979 Welsh Craft Fair, scheduled for October 21-23 in Llandrindod Wells, had been booked by a total of 211 exhibitors—up from 108 in 1977.

Manifesto challenge to Callaghan

BY ELINOR GOODMAN, LOBBY STAFF

MR. CALLAGHAN, already faced with a Left-wing challenge to his authority as Labour Party leader, was yesterday presented with another set of proposals by Right-wingers which would reduce his powers of patronage.

Three backbench members of the moderate Manifesto group published a discussion paper on ways to make the Parliamentary Labour Party, more democratic by increasing the influence of backbenchers over both policies and appointments.

The proposals will be discussed at next week's special meeting of the PLP, when the main item on the agenda will be the eight-point reform plan produced by the two Left-wingers, Mr. Anthony Wedgwood Benn and Mr. Eric Heffer, which would effectively strip the future Labour leader of his powers of policy-making and patronage.

The ideas from the Manifesto members—Mr. Mike Thomas, Mr. Philip Whitehead and Mr. Giles Radice—are similar in some ways to Mr. Benn's. But where his plan would give additional powers to both MPs and the party rank and file, the Manifesto proposals would be aimed primarily at increasing the backbench authority.

They may, therefore, have some attraction for Mr. Callaghan. One argument in favour of them yesterday was that if the PLP was seen to operate more democratically, it would be even more difficult for the Left to persuade the annual conference that the power of electing the party leader should no longer be the exclusive prerogative of MPs.

Like Mr. Benn, Manifesto thinks that more members of the shadow cabinet should be elected by MPs than at present, and that far more use should be made of the backbench policy groups.

The right-wingers, however, have not gone as far as Mr. Benn in insisting that the party's front bench team should be elected in Government.

Instead, they have suggested some ways in which this might be achieved. The moderates also take issue with Mr. Benn's proposal that votes in the PLP should no longer be by secret ballot.

The two sets of proposals also differ about who should receive the public funds paid to Labour in Opposition. Both agree that the disposal of the money should not be left entirely to the discretion of the party leader.

Row over Falklands development

By Hugh O'Shaughnessy

ANGRY EXCHANGES took place about the Falkland Islands in the Lords yesterday. In answer to a question from Lord Morris (C.), Lord Trefgarne, a Lord in Waiting speaking for the Foreign and Commonwealth Office, reiterated assurances given by Sir Ian Gilmour, Lord Privy Seal, in the Commons on May 25 to the effect that the majority of suggested recommendations about the development of the South Atlantic colony had already been carried out.

Sir Ian's statement caused controversy when it was made, in that those who lobby for the Falkland Islanders in London suggest that less than a third of the recommendations made in the report prepared by Lord Shackleton for the Foreign and Commonwealth Office in July 1976 are under way.

Despite this, the Government continues to maintain that most of the Shackleton recommendations have been implemented.

Lord Shackleton himself contested this view yesterday, saying that either Lord Trefgarne was lying or he himself was.

Fear over rate system review

THE Association of County Councils yesterday told the Government that any review of the household rating system must involve the local authorities "right from the start."

Last month Mr. Michael Heseltine, Environment Secretary, cancelled the planned 1982 rating revaluation. He said the cancellation would provide the Government with the opportunity to sort out the longer-term future of the rating system.

OBITUARY

Mr. John Davies, critic of the 'lame duck'

MR. JOHN DAVIES, a former Conservative Cabinet Minister, who was made a life peer in last month's honours list, died yesterday in St. Thomas's Hospital, London. He was 63.

The letters patent creating him a peer had not been issued before his death.

Mr. Davies entered politics in 1970 after a distinguished career in industry. Within weeks, Mr. Edward Heath promoted him from the back benches into the Cabinet to take charge of the Government's industrial policy.

In a famous and rapturously received speech at the Tory conference in 1970, Mr. Davies gave a warning that unprofitable "lame duck" companies would no longer be subsidised by the Government.

But when Rolls-Royce had to be nationalised early in 1971, the Government's policy was rapidly reversed.

Mr. Davies was a man of gentle personal disposition. His political reputation suffered heavily as the Government adopted more interventionist policies and in 1972 he was moved to a new post as Minister for Europe.

Mrs. Margaret Thatcher brought him back to prominence by appointing him as her foreign affairs spokesman in her shadow cabinet in 1976.

But after a stormy reception for his speech on Rhodesia at the party conference last year, it was disclosed that he was very ill. He left politics a few weeks later after a brain operation.

The son of a Welsh accountant, Mr. Davies began his industrial career after wartime service in the Royal Army Service Corps.

He joined the Anglo-Iranian Oil Company in 1946 and during the next nine years worked for the company in Stockholm, London and Paris.

He was general manager, markets, from 1956-60, when he joined the board of BP Trading. Next year he was appointed vice-chairman and managing director of Shell Mex and BP.

Mr. Davies resigned in 1965 to become the first director-general of the newly created Confederation of British Industry, a merger of three employers organisations. He played a major role in establishing the authority of the new organisation.

During the next four years, he developed a close dialogue between the CBI and the Labour Government, establishing an initially close rapport with industrial Ministers such as Mr. George Brown, as he was then, and Mr. George Woodcock, TUC leader.

But the Labour Government's devaluation, in particular, reinforced his criticisms of its economic and financial policies and turned him towards a career in politics.

Mr. Davies joined the Hill Samuel group in 1969 and early the following year was adopted as Tory candidate for Knutsford.

Returned to the Commons in the 1970 General Election, he had made only one speech from the back benches when he was appointed Minister of Technology in the Government reorganisation that followed the death of Iain MacLeod.

His position in the Cabinet was vastly strengthened later that year when, in a merger of departments, he became Secretary for Trade and Industry.

Mr. Davies's parliamentary inexperience made him a ready target for the Labour Opposition as the Government's non-interventionist policies crumbled.

With the granting of Government aid for Upper Clyde Shipbuilders in 1972, he also bore the brunt of Tory backbench discontent with the Government.

Mr. Heath finally transferred him from industry: giving him, as Chancellor of the Duchy of Lancaster, special responsibilities for the EEC.

An accomplished linguist and steeped in European culture, Mr. Davies found the job congenial. But after the return of the Government Government in 1974, he was dropped from Mr. Heath's Shadow Cabinet.

He found another role as chairman of the Commons Committee on EEC legislation, performing a strenuous and largely unrewarding task in examining Brussels directives and giving advice on their implications for British law.

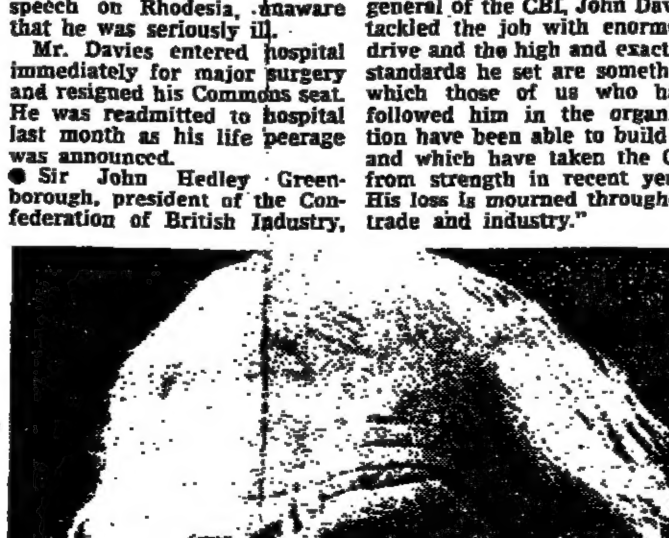
An enthusiastic EEC supporter, Mr. Davies was Mrs. Thatcher's choice for the post of Britain's second EEC Commissioner in 1976.

But his appointment was vetoed by the Labour Government. Mr. Christopher Tugendhat was appointed instead. Mr. Davies was asked by Mrs. Thatcher to join the Tory Shadow Cabinet as foreign affairs spokesman.

Mr. Davies fulfilled his front-bench duties conscientiously. But last year the Tory conference, which had applauded his vigorous entry into politics only eight years before, heckled him unmercifully for a cautious speech on Rhodesia, unaware that he was seriously ill.

Mr. Davies entered hospital immediately for major surgery and resigned his Commons seat. He was readmitted to hospital last month as his life peerage was announced.

● Sir John Hedley Greenborough, president of the Confederation of British Industry, and Sir John Methven, director-general of the CBI, said last night: "As the first director-general of the CBI, John Davies tackled the job with enormous drive and the high and exacting standards he set are something which those of us who have followed him in the organisation have been able to build on and which have taken the CBI from strength in recent years. His loss is mourned throughout trade and industry."



Ashley Ashwood

Mr. John Davies, former Tory Trade and Industry Secretary.

Pilkington glass workers to ballot on pay action

BY NICK GARNETT, LABOUR STAFF

PROCESS WORKERS at the Pilkington glass company are to be balloted on whether to take industrial action after rejection by negotiators and shop stewards of an overall 15 per cent offer which the company says is final.

A national meeting of shop stewards and full-time regional officials of the General and Municipal Workers' Union, which represents the process workers, is being convened at St. Helens today to be told of the union executive's decision to press ahead with a ballot.

If the workers, numbering more than 8,000, decide to take action, national officials will decide what course to adopt.

If the Pilkington workers reject action, negotiators will reopen discussions with the company on one of its three offers. The union said that each of these totalled up to about 15 per cent, but distributed the money differently.

Technology

The union has attempted to negotiate, so far with little success, a reduction in working hours as a trade-off for working on a float-glass plant under construction at St. Helens.

The new plant would employ about 400, but Pilkington intends closing the old sheet-glass plant in the town with a loss of about 700 jobs.

Mr. David Warburton, union national officer for the chemical industry, said yesterday: "We are anxious to resolve amicably our pay talks in order that we may deal with the long-term problem of technology and jobs."

"If our members accepted the pay proposals, this would not mean that we accept the company's rejection of our claim to progress towards cutting hours, as they are two separate issues, and Pilkington accepts this."

Following the collapse of national negotiations in the chemical industry, some companies have negotiated deals which would be acceptable to national negotiators.

Some major companies are trying to arrange interim agreements based on the rejected national offer, apparently with a view to national negotiations being resumed.

Postal engineers set to accept wage deal

BY OUR LABOUR STAFF

THE POST OFFICE Engineering Union appears likely to agree with the corporation today on a basic pay and productivity settlement for its 124,000 members.

Few issues remain outstanding and the union seems confident that they can be cleared up this morning.

The corporation's proposals on pay regrading, however, will still have to go before a special union conference in November.

Any settlement with the union, which is not party to the industrial action disrupting Post Office services, would add to the pressure on other telecommunications unions to settle.

Executives of the Civil and Public Services Association and the Society of Civil and Public Servants are understood to have formally rejected yesterday a new pay offer made late on Tuesday.

That offer involved the same 9 per cent on basic rates as in previous offers but improved proposals for grade restructuring from the original 3-7 per cent to 5-7 per cent. There would also be a lump sum productivity payment, paid in two stages and worth about 2 per cent altogether.

After yesterday's executive meetings, CPSA and society negotiators again met post officials late last night.

Earlier, Mr. Charles Elliott, vice-chairman of the CPSA's post and telecommunications section, said that his union had declined to halt industrial action at the stamp issuing centre, Hamel Hempstead.

On Tuesday the Post Office had asked the CPSA and the society to stop action as an act of goodwill during negotiations.

Mr. Elliott said that Tuesday's talks had made progress but unless the offer was improved, the executive would have no alternative but to increase industrial action.

Strike at Rosyth halts work on Renown

ALL WORK on ships at Rosyth Dockyard, including the refitting of the Polaris submarine, Renown, came to a standstill yesterday after a lightning strike by two Civil Service unions. It was the third such strike in successive days at the dockyard in support of the unions' national pay claim.

Four thousand workers at the yard were sent home after the Institute of Professional Civil Servants and the Association of Government Supervisors and Radio Operators called out nearly 1,000 members in the production, finance and supply and transport departments.

Mr. Andy Will, local chairman of the institute said: "The Minister for the Navy, Mr. Keith Speed, and the Chief Executive of Royal Dockyards, Mr. Harold Chetten, flew north to meet us yesterday.

"They were sympathetic to our case and Mr. Speed promised to make representations to the Minister of State for the Civil Service. However, they could promise nothing definite and so we expect to continue these lightning strikes."

Union hopes to save Massey Ferguson jobs

BY GARETH GRIFFITHS, LABOUR STAFF

MASSEY FERGUSON will consult both local and central government departments in the next week over its proposal to transfer combine harvester production from the UK to France with the loss of 1,000 jobs at Kilmarnock.

Trade union officials met Mr. Victor Rice, the company's president, yesterday to discuss the plan.

There was a mood of guarded optimism on the trade union side after the two-hour meeting. Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said he was confident the jobs at Kilmarnock would be saved. He said that Massey Ferguson had now dropped a July 23 deadline for making a decision.

The trade unions have already had informal talks with workers in France and Belgium over the possibility of coordinated industrial action to prevent the transfer. Mr. Duffy indicated that official action would be taken "if the worst comes to the worst."

Mr. Ken Cure, an AUEW member and secretary of the joint national council for Massey Ferguson unions, said that trade union research over 18 months by several union research departments and the University of Strathclyde had shown the plant to be viable. The unions maintain UK losses from Massey Ferguson had not been made at Kilmarnock and that a transfer would lead to a deterioration of £26m a year on the balance of payments.

Mr. Rice will see Ministers at the Department of Industry and the Scottish Office next week and local bodies in Scotland. The trade unions will also see the Scottish Office Ministers next week.

Official defends job dispersal

ANY ATTEMPT to curtail the dispersal of 31,000 Civil Service jobs from London to the regions would be economic madness, according to Mr. Campbell Christie, deputy general secretary of the Society of Civil and Public Servants.

In a letter to Mr. Paul Channon, Minister of State for the Civil Service, Mr. Christie said that to cut the dispersal programme would result in a net loss to the UK economy of £800m.

Referring to the society's detailed evidence to the Government on dispersal, Mr. Christie said that the short-term costs had to be seen as "an investment which reduces public expenditure overall."

Mr. Christie also urged the Government not to backtrack on promises to the people of the West of Scotland, Teesside, Merseyside and South Wales.

Meeting is last chance of engineers pay pact

BY ALAN PIKE, LABOUR CORRESPONDENT

THE LAST slim chance of resolving by negotiation the dispute over the engineering industry national pay agreement will come at a meeting between union leaders and the Engineering Employers Federation on Tuesday.

Last week the Confederation of Shipbuilding and Engineering Unions' conference agreed to an overtime ban throughout the industry and a programme of one-day strikes in support of the national claim. The confederation will instruct affiliated unions to begin the action unless Tuesday's meeting changes the position.

A negotiated settlement on Tuesday cannot be a likely prospect since both the Amalgamated Union of Engineering Workers' national committee and the confederation conference have bound their negotiators with a tough set of preconditions.

Union leaders have been told to fight in full for new national minimum craft rates of £80 per week—the union negotiators had earlier indicated a willingness to compromise at £70—and other improvements, including a one-hour reduction in the working week this year and two days' extra holiday.

Basic rates in engineering are now £60 a week for craftsmen and £49 for unskilled men, although most workers earn more as a result of local bargaining.

Talks on Corby steel rejected

UNION OFFICIALS told the British Steel Corporation yesterday that they were not prepared to hold talks about phasing out steelmaking there. "They would fight to keep steel work and save nearly 6,000 jobs."

Following BSC's announcement of annual losses of £309m—nearly £15m for Corby—Mr. Harry Ford, BSC group director at Corby, said that BSC was now anxious to start talks.

But Mr. Mick Skelton, Iron and Steel Trades Confederation official at Corby, said: "There is absolutely no chance of such talks being held. The only issue we want to discuss is the retention of steelmaking."

ACAS move in Chrysler dispute

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN INITIATIVE to try to prevent the strikes which threaten Chrysler UK has been taken by the Advisory Conciliation and Arbitration Service.

Management and unions are believed to have been invited to exploratory talks in Birmingham today.

The 2,000 workers at Ryton, Coventry, who assemble the Alpine, walked out last Friday in protest at the company's 5½ per cent pay offer.

The 3,500 employees at the nearby Stoke engine plant have voted to join the strike from next Tuesday unless the company improves its offer.

Action by Stoke, which supplies engines and components to Linwood, Scotland, for the Avenger and Sunbeam models, would quickly bring Chrysler operations to a standstill.

Chrysler UK, taken over at the beginning of this year by PSA Peugeot-Citroen, says industrial disruption would almost certainly start a rundown in the size of the company.

Management maintains that with a projected loss of £30m this year, it cannot afford to increase basic pay rates. The only way to higher earnings would be through a proposed new incentive scheme.

Shop stewards are insisting that with the current level of inflation, a 5½ per cent rise in basic rates is unacceptable.

Management's main hope must be that it can continue talks to head off action by the Stoke workers. Their strike is due to start only three days before the annual summer holiday.

There is less enthusiasm for a confrontation by Stoke workers who have suffered extensive lay-offs and short-time working because of disruption to the £100m-a-year contract to supply components to Iran.

Today's meeting under ACAS is likely to examine the issues and seek further progress.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● BANKING

Burroughs solves a paper problem

BURROUGHS has won an order from Lloyds Bank as the result of a successful joint development project aimed at further automation of the clearing of cheques and remittance documents.

In the order, Burroughs is to supply a further 500 document encoders, valued at over £1½m which Lloyds will install in its busier branches throughout the United Kingdom. Deliveries start in October 1979 and continue throughout 1980. This follows the recent successful installation of machines from an initial order for 150 units.

Newly developed, the Lloyds system has aroused the interest of the banking community, long concerned to gain better control over paper flow. The system directly attacks a major problem area—that of the time-consuming and tedious manual methods of collating, cross-stamping, remittance sorting and proving of documents in branches.

The new encoder, which is manufactured in the UK and is designated the S555, allows bank staff merely to feed in the cheques, bank Giro credits, debit or credit vouchers, etc., and key in the amounts.

The machine takes over to encode each cheque, at the same time accumulating various totals, reconciled by batch, section and category for the other vouchers.

In practice, the encoding processing and agreement of vouchers will proceed freely throughout the day. Thus the delays and end of day peaks of the present system will be eliminated. Furthermore, the running total of any category of document may be obtained at any time.

To the benefit of the bank and its customers, the new Burroughs encoders will speed up branch processing and virtually eliminate many sources of errors at an equipment cost which permits wide-scale installation throughout the bank.

This is an advance of major importance for the clearing banks in the first instance, but also for all banks that have to handle many types of "money document."

Burroughs Machines, Heathrow House, Bath Road, Hounslow, Middlesex. 01-759 6522.

● ELECTRONICS

Towards a super-chip

ROCKWELL says the U.S. Department of Defence programme for developing very high speed integrated circuits (VHSIC) will contribute substantially to requirements for advanced military avionics, tactical and strategic missile guidance, navigation, communications and other systems in the 1980s and beyond. Inevitably this will have repercussions in the business and industry arena.

The company recently announced the creation within its electronics operations of a VHSIC programme management project to co-ordinate activities of professional personnel from its Electronics Research Laboratory and Microelectronic Devices businesses, and from systems and equipment divisions.

The VHSIC programme's goal is the development of versatile, high-level language, system chip-sets with on-chip redundancy and on-chip testing. It will provide sets of system devices which can be procured or second-sourced by various system manufacturers in the U.S. military industrial complex.

In addition to great improvements in system functions and performance, the size of a typical tactical terminal will be reduced to about one-fourth that of its present LSI version, weight will be reduced to about one third, and power consumption will be reduced to about one-thirtieth.

A key development will be a computer-aided design (CAD) system that should bring chip design costs down from the present industry average of $100 per logic gate to less than $1 per gate.

Rockwell International, Electronic Devices Division, 3310 Miraloma Avenue, POB 3669, Anaheim, California 92803, U.S.

Simplified counters

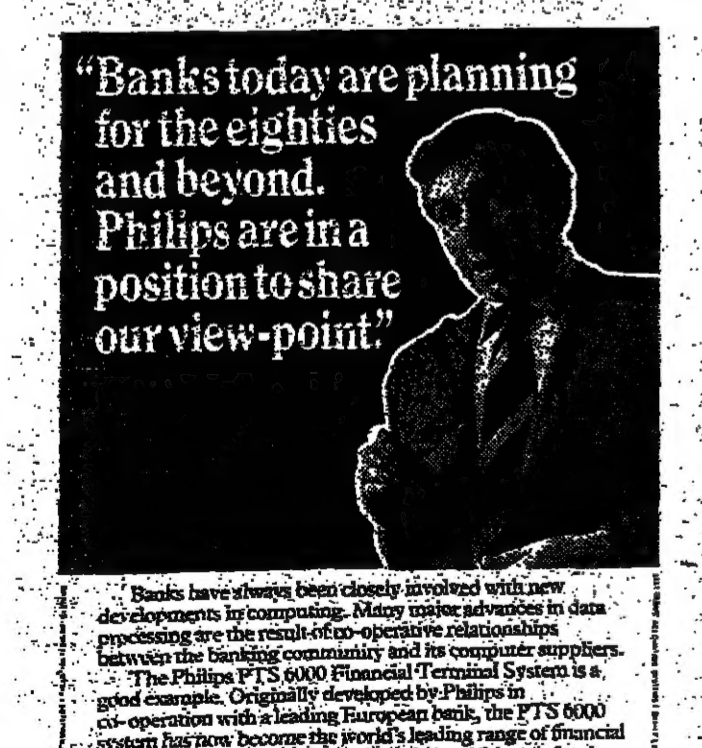
SEEN FOR the first time at the Testmex Conference and Exhibition at Wembley, near London were four frequency meters and two universal counters from Marconi Instruments, Longacres, St. Albans, Herts AL4 0JN (St. Albans 59292).

Following a trend of the last year or two, Marconi has chosen to use colour coded controls, producing considerable ease of learing of the functions: according to the company many engineers have been able to operate the instruments straight away without needing to refer to the handbook.

The two counter timers cover dc to 100 MHz and 520 MHz despectively while the frequency meters all start at 10 Hz and extend to 80, 200, 560 and 2000 MHz.

Counter timers have comprehensive timing, counting and frequency measurement facilities, and triggering indicated by a flashing light when correct.

Frequency meters have automatic gain control on all input and a low pass filter to overcome the problem of low frequency signals with superimposed high frequency noise.



Banks have always been closely involved with new developments in computing. Many major advances in data processing are the result of co-operative relationships between the banking community and its computer suppliers.

The Philips PTS 6000 Financial Terminal System is a good example. Originally developed by Philips in co-operation with a leading European bank, the PTS 6000 system has now become the world's leading range of financial terminal equipment, with 25,000 cashier positions in banks, building societies and local authorities.

Special versions of the PTS 6000 are currently under development in conjunction with banks in Britain and overseas, designed for the needs of cashiers in the next decade—and the next.

If you want to make the most of today's computers, talk to Philips first.

You'll find we talk your language.

Computers that talk your language

To: Robert McCaig, Philips Data Systems, Elektra House, Bergholt Road, Colchester, Essex CO4 5BE. Tel: 0206 5115.
Please send full details on the PTS 6000.

Name:
Position:
Bank:
Address:

Philips Data Systems

PHILIPS

FTS/7

● PROCESSING

Scratches easily filled in

THERE IS no need for expensive disassembly of hydraulic plant during repair periods if operators adopt the use of a metal "put-on" process, asserts Selectrons, 38 Walkers Road, Moons Moat North, Redditch, Worcs (0527 68008).

Three major forklift manufacturers are already using the process, says the company, which deposits controlled thicknesses of mechanically and metallurgically sound metals on to small localised areas.

As efficiency in hydraulic operations depends largely on surface integrity, loss of efficiency and power could arise from a scratch resulting in leakage of hydraulic fluids.

Now, says Selectron, these scratches and scores can be efficiently filled, reshaped and sealed, by use of the process which comprises a hand-held stylus, padded with absorbent material and soaked in electro-chemical fluid. Stylus acts as the anode and "electro-painting" of metal on metal as rapidly as 0.002 inches a minute is claimed.

Maintains dust-free atmosphere

EQUIPMENT originally designed for the tannery industry to handle buffing dusts can have a wider application throughout industry where there are problems when collecting the more difficult-to-handle dusts, says Ohlenschlarger Technical Services, 38 Mark Road, Hemel Hempstead, Herts (0442 52638).

With the Denken water spray separator, wood, leather, textile and similar fine fibrous dusts can be collected with no danger or fire or explosion, as each dust particle is totally saturated and the system prevents any particles from escaping into the atmosphere.

Separators are produced in various sizes, made of heavy gauge material treated with three coats of epoxy paint, and all units are fitted with aerofoil fans. Slurry extraction is via an inclined timer-controlled screw auger which discharges into a waste collection bin.

Controller easy to program

STRAIGHTFORWARD but precise control of processes such as heat treatment, stress relieving, ceramic firing and annealing can be obtained with the P400 unit from FGH Controls, The Wynd, Letchworth, Herts SG6 3EN (04626 72821).

Desired values of level, rate, time and state are numerically entered by means of digital thumbwheel switches and a validity check on the entries is presented on numerical light emitting diode displays which also serve to monitor the process when the instrument is in operation.

The built-in microprocessor and its memory allows for up to 99 states of ramp (that is, rate of increase), dwell or end-point to be programmed and these states can be grouped into ten operator-selectable programme profiles.

Good accuracy and repeatability are ensured by accurate linearisation by microprocessor of the input, while rate and dwell are determined by the internal crystal oscillator.

Optionally, data can be kept for a month after power supply failure by using battery back-up.

Pumps for corrosive liquids

NON-METALLIC and self-priming, a chemical process pump designed for long service life with severe corrosives is being marketed by process equipment specialists Durco Europe.

Casing, impeller and rear cover of the Mark II FRP pump are all moulded from glass fibre-resin composite formulated by Durco to provide high strength and durability in addition to corrosion resistance.

Built to ANSI dimensions, the centrifugal pump—in Durco 700 or Durcon 710 (according to application)—offers an inexpensive alternative to high duty alloys for handling hot or cold corrosive (hydrochloric acid, nickel sulphate, hydrobromic acid, acetic acid etc.).

Pumps do not require foot valves, check pipes or field fabrication of pots and piping and due to the high density moulding (ultrasonically tested) contain no adhesive joints to come apart or split under stress. All external wet-end trim is stainless steel.

New composites Durcon 700 (glass fibre/epoxy resin) and Durcon 710 (glass fibre/phenolic resin) are non-sparking and immune to stray current or galvanic corrosion.

The pumps are available in sizes 3 X 2 inches to provide heads to 148 ft and capacities to 240 gpm.

Durco Process Equipment, 23 Heathfield, Stacey Bushes, Milton Keynes MK 6HR. 0908 318212.

● HAND TOOLS

Planing made simpler

FAST AND easy to use by professionals and D-I-Y enthusiasts a new power plane has adjustment of depth of cut from 0-2.5 mm and a bevel guide which can be mounted in any angle up to 45 degrees, for edge planing of doors and window frames.

The new tool can be used for rabbeting jobs up to 20 mm deep and 75 mm wide.

The high speed of 12.500 rpm gives an extremely smooth finish, so this plane will also suit furniture and cabinet makers. A long V-notch in the base facilitates chamfering jobs.

Powered by a heavy duty 900 watt motor, the tool is double insulated and radio/TV suppressed according to European and national safety requirements. Other safety provisions are a switch lock, to prevent accidental starts and a spring actuated knob on the foot for protection of the blades. This last is quite important, particularly if the tool is put aside while the motor is running. There is a reversible deflector for automatic removal of the chips either to the right or left.

Standard equipment includes a pair of carbide blades that last 20 to 30 times longer than conventional HSS blades. These blades are excellent for planing composition materials, laminates of wood and board and even non-ferrous metals. They have two cutting edges and sharpening is no longer necessary. When the edge eventually becomes dull, they are simply turned around or replaced.

SKIL's main plant in Europe is at Breda (the Netherlands). SKIL (Great Britain), Fairacres Industrial Estate, Dedworth, Windsor, Berks SL4 4LE. 07537 69525.

● FINISHING

Spray guns save money

SUBSTANTIAL COST savings are promised with a new range of low pressure air or water-operated spray guns used for dispensing chemicals, disinfectants, detergents, or almost any fluid in concentrated or pre-mixed form, says Techflow, Otterspool Way, Watford, Herts (Watford 27569).

Units are designed to operate from a normal mains tap or compressed air supply, depending on the job requirements, and where a concentrate requires dilution with water, variable dilutions from half to 5 per cent or 15 to 50 per cent can be selected during operation by means of a patented all brass mixing head and indicator unit.

Where strong chemical solutions are needed for use over large surface areas, mixing by hand is potentially dangerous and inaccurate and usually leads to over use of the chemical, says the company. Thus, use of the variable concentration spray guns ensures safe, accurate and economic mixing.

● HANDLING

Clearing up deep litter

CHICKEN HOUSES in north Wales are regularly cleaned out of litter (manure and bedding) by Italian Beaver skid steer loaders available in the UK through concessionaire Rearden Plant, Adlington, Lancs (0257 482009).

Fitted with a standard bucket, the Beaver R40 (middle-sized model) works on a continuous programme of deep-litter house clearing on 14 farms in North Wales (nine are owned by Country Produce, the other five are cleaned on a contract basis).

Working to a 65 day cycle, with chickens being reared in four deep litter houses at each farm, Country Produce allocates part of the cycle to a complete clean out when a minimum of 50 tonnes of litter is removed from each house. Working within the cycle, the Beaver is said to remove an average 75 tonnes of litter a day.

● DATA PROCESSING

Amdahl grip on motors

WITH the announcement of decisions by BL Systems and Massey-Ferguson to take IBM-compatible machines from Amdahl—in both instances a big 470V/7—and replace earlier IBM equipment, Amdahl is tightening its grip on the European automotive business.

Massey-Ferguson already has a V5 at its Italian plant and it will be putting the new machine in at a specially built European data centre in Birmingham from which it will work to centres all over Europe.

BL Systems is replacing two IBM 370/158 machines and the new Amdahl will go alongside an IBM 3033 to work on a variety of big jobs. These will include batch processing, time-sharing, and on-line services for management at several of the BL plants.

Amdahl also has supplied machines to Ford (V5), Chrysler (V6), Citroen (V7 to be up graded), Rolls-Royce, Ford Germany and Peugeot.

Easier for the novice

ICL has brought in a number of modifications to its small business computer, the System 10/220, to make the equipment easier than ever on the user who has no previous experience of computer applications.

New equipment includes a new, low cost matrix printer (Model 2375/1) which has an operating speed of 100 characters/second and is suitable for use with low printing volumes; two new interactive keyboards with associated printers (Model 2375/11 for operation local to the computer and Model 7574/65 for use as a remote workstation); and a new remote printer (Model 7574/66).

ICL also has an upgraded and faster version of the existing Systar accounting package which incorporates the company's new Paypac system. As a result, ICL now offers for use on System Ten computers, a complete set of business accounting procedures covering nominal, sales and purchase ledger and weekly and monthly payroll.

With the new enhancements, ICL can now supply a typical System Ten 220 computer, suitable for the first time user, at a purchase price of approximately £19,000, or on rental at under £400 a month. This would include on-line video data entry and enquiry facilities as well as Systar.

Over 5,000 Systems Tens are now in operation throughout the world. This includes 2,000 of the System Ten 220, valued at £110m which have been sold by ICL since the introduction of this new model early in 1977.

● METALWORKING

Service in north-west

A SUB-CONTRACT engineering facility to serve the Greater Manchester area and the north-west has been set up at Bolton by Vacuum Thermal Processes, of St. Ives, Huntingdon, Cambs.

The company is to operate electron beam welders and vacuum furnaces manufactured by its sister company, Wentgate Engineers.

Electron beam welding, which can be carried out on finished machined parts, is faster and gives less distortion than most conventional joining methods, says the company, while vacuum brazing of stamped or machined parts saves on fabrication costs; subsequent heat treatment may be carried out in the same cycle.

Some of the latest Wentgate machines have been installed at the new facility. The largest electron beam welder is a 60 kV machine that operates at up to 6 kW. It has a 24 ins x 24 ins x 27 ins vacuum chamber and can achieve a penetration of up to one inch in steel.

Also employed at the new plant is a vacuum furnace which operates at up to 1300 degrees C, designed specifically for continuous production of brazed or heat-treated loads.

major manufacturers for the power generation industry world-wide – just one of NEI's activities.

Northern Engineering Industries Ltd

NEI

A merger of Clarke Chapman and Reyrolle Parsons

● CONSTRUCTION

Quantities estimated on demand

TAC Construction Materials is providing a computerised quantity estimating service free of charge to roofing contractors, enabling them to prepare detailed estimates, quotations and orders. The service, based on TAC-designed software with direct VDU terminal access to an IBM 370/158 computer, is the first of its type in the UK.

Service users complete a simplified pre-printed questionnaire, setting out broad details of a proposed single or multi-shaped structure inclusive of overall dimensions, roof pitch purlin spacings and required TAC claddings. Completed questionnaires are processed to give comprehensive data on corresponding projected quantities and costs of requisite roofing materials including cladding, lining panels and rainwater goods.

Data is provided in printout form, with constituent product prices and quantities itemised both individually and collectively. The information is, in turn, assembled in simplified quotation form, thus enabling users easily to add their own fixing costs.

Full details of the service together with questionnaires are available from the Building and Insulating Division, TAC Construction Materials, P.O. Box 22, Trafford Park, Manchester M17 1RU (Tel 061-872 2181) or from any one of the company's regional sales offices at Bristol, Cumbernauld, Sutton, Tamworth and York.

LONDON DOCKLANDS: OVER £1,500,000,000 WILL MAKE SURE IT'S NOT JUST A PLANNER'S DREAM.

Situated in the heart of the city alongside the River Thames. London Docklands is the largest area for development in the world.

All the dreaming and a lot of the planning have been done.

And now we are getting on with it.

In the next three years alone over £200 million is being spent on new roads, railways, housing and, of course, new factories and sites.

This is just the start of the Docklands plans becoming reality.

It is also the start of a great opportunity for business.

NEW ROADS AND RAILWAYS WILL BRING IN MONEY AS WELL AS PEOPLE.

Already major road improvement schemes are underway. New bus services and rail links are being introduced.

All this will make it easier for everyone, be they Londoners, commuters, buyers or businessmen, to get to Docklands.

It will also make it a much more attractive place for investment.

BUILDING A NEW TOMORROW. FOR BUSINESS. AND FOR PEOPLE.

Before Docklands can become the ideal place to live, it obviously has to have jobs to support its growing population.

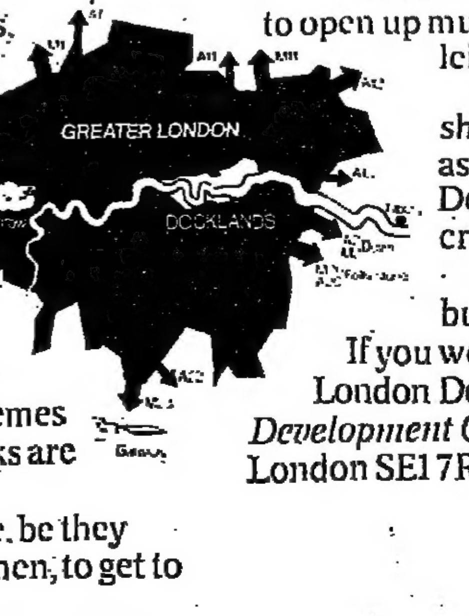
That is why much of our effort is directed towards attracting new employers to the area.

At the same time, however, we are building new housing.

We are encouraging private housebuilding. We hope to open up much more of the riverside as attractive leisure areas.

And we are planning more parks, more shopping and community centres. As well as providing for the people presently living in Docklands, we are hoping to attract a wider cross section of new residents to the area.

Because in the end, it will be people who build the new tomorrow for Docklands.



If you would like to know more about the plans for London Docklands, write to *The Docklands Development Organisation*, 164 Westminster Bridge Road, London SE1 7RW

LONDON DOCKLANDS

WE'LL HELP YOU MAKE MORE OF YOUR CAPITAL

JOHN SIMMONS AT THE 26th ADVERTISING FILM FESTIVAL IN CANNES

Britain crestfallen in marathon of mediocrity

A RECORD submission of 1,876 television and cinema commercials were shown at the 1979 international advertising film festival at Cannes' Palais des Festivals, the heaviest entry, 530 coming *from Britain*. A record invasion of more than 2,300 delegates from 39 countries, plus a judging team of 16 white-faced, red-eyed advertising virtuosi, grumbled and moaned for five dispiriting days while studying the cliché-clutter of current filmed advertising.

Delegates were *blaming* agencies for appearing disinclined to encourage clients to achieve *improved selling standards*, and accusing them of employing lethargic, cynical writers with big budgets but apparently little sensibility of the persuasive powers at their disposal.

Production pyrotechnics—at approaching £1,000 a second—were glossier than ever, diverting the mind from the absence of meaningful advertising messages, allowing simple branding *(and heavy frequency) to do the* job in a spectacular show worth attending if only to admire the skills and art of the photographers, who can make a steaming pudding appear so sensuously attractive you could eat the film.

Fewer rewards were offered, and even fewer deserved, and for once the short list was relatively short at about only 12 per cent of the entries (it is often as high as a third).

Even so, the criticism voiced by howls and catcalls from the most unruly audience serious delegates have ever had to suffer was often justified. The Goodyear tyre commercials (an almost exact copy of Ogilvy and Mather's Shell Platformate *format of the 1960s*), attracted excessive disrespect for Sir Robert Mark's brave attempt at sincere endorsement. Brutus Jeans' aggression provoked some equally violent abuse. And the Leyland Mini animated dot, an idea perhaps derived but certainly not inspired by the subtle symbolisms of the late Robert Brownjohn, was hissed off the screen, drowning the desperate and miscast talent of Kenneth Williams at his shrillest. A liquorice allsorts commercial, curiously seeming to suggest that you'll like only one in every box, received raspberries for its animation of unreal plastic sweets.

Britain suffered the lowest share of *Palmarès* for a decade. Only Boase Massimi Pollitt Univas struck gold for Britain, with two Television Lions d'Or for the delightfully dry John Smith's Yorkshire Bitter series and the stirring "Gercha!" sing-song for the well-named Courage Ale.

U.S. agencies excelled with some outstanding and fresh casting, acting, and directing, especially when featuring infants going to school for the first time (Kodak), teenagers in love for the first time (McDonald's Hamburgers), and extrovert air stewardesses flying *for the first time (United Airlines)*. Testimonials by film stars were replaced this year by *sports celebrities, principally for* beers.

Sentiment from Japan — a *kid brother's* first lesson on a bicycle and a young girl's first experience of lipstick — caused the judges to weep golden tears, while Spain's amusing Renault "big-space" demonstrations, and the amusing erotica for "I feel Lois" jeans were rewarded with Golden Lions.

Wit was so welcome that the judges quite properly gave gold to Funk and Wagnall's art-books mini-masterpiece, featuring a Woody Allen presenter, metamorphosing from live-action to very funny cartoon representations of *himself*. *(Agency:* Scali McCabe Sloves, NY.) It was worthy of the Television *Grand Prix, and a very close* contender.

Fun from France attracted *gold for the* Bic razor drama featuring a grizzly Western hero used to commanding respect by striking matches on his cheek. After a Bic shave it can't be done! There were enough commercials in this vein to suggest the hint of a new anti-hero; anti-cliché trend. Coursey of Sarah Moon's soft and moody photographs-in-slow-motion. France gained the Grand Prix Cinema for Cacharel fashions.

Britain's usual award-collectors, JWT, Saatchi, CDP, FCB, DDB and others, had to be content with Lions d'Argent and Lions de Bronze, attracting a shallow share of 26 out of 65 awarded. The 2,284 unofficial *judges who had paid their* entry fees of £100 endorsed with loud applause the official view of Saatchi's outstanding Youth Opportunities commercials (silvers for the COI), JWT's Campari Cockney-meets-Bogart Casablanca parody, Listermint, Guinness, and especially their very jolly Smarties disco-for-tots (director Tony Scott boldly and beautifully sustaining the former glories of brother Ridley, who is currently scaring people back into New York cinemas with his Alien horror movie. "I *learned it all from my 3,000 commercials*," he claims.

The international jeans war *provided sensational* visual excitement: frenetic, sexy, and right on shapely target. Lee *Cooper gained two silvers with a* wacky, unintelligible anti-punk drama from Britain, and a class-*room suddenly enlivened* by a student drumming on his girlfriend's buttocks (France). There *were* cowboys cool and cowboys hot and surrealist sequences of gyrating dancers of every hue (all far too tall and slim to be real).

McCann-Erickson of Sydney left for home nicely bronzed by a crazy Coke car wash sequence rivalling the American panache and vitality set by Coca-Cola's country origin. Australia has no need of its ban on imported commercials. Australian feature film and television directors taking time *off* for commercials are a match for any rivals, though bolder writing and a more adventurous agency attitude is needed.

The most coveted prize of the festival, the Grand Prix Television, was won by Ogilvy and Mather's Californian agency for a cool, courageous, confident series of Blitz Beer 60-second commercials, all admitting no knowledge or fear of any competitor.

Thirty-five miles of film unwound very slowly at the 26th festival: a marathon of dazzling mediocrity.

Kellogg: £1m for magazines

IN A CONSTANT bid to stretch their budgets, advertisers are putting increasingly large sums into Press and magazines. (They haven't much choice, really: television, the so-called hot medium, is chock-a-block with ads, even though the lorry drivers' strike took a nasty bite out of first-quarter revenues, which according to the ITCA were only 8.5 per cent up at £90.2m.)

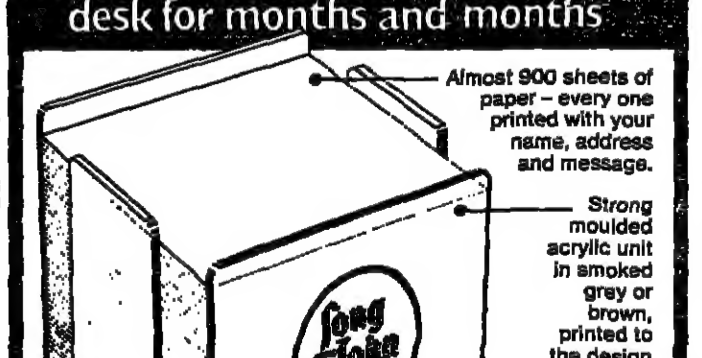
Kellogg is the latest major to make a significant extra move into magazines in a bid to extend its success in the £150m ready-to-eat cereals market. Its total magazine spend this year will be more than £1m, involving more than 260 ads (predominantly colour) in 35 magazines, many of them in the IPC stable.

● **HERTZ** has switched its UK and European advertising out of Ted Bates and into Collett Dickenson Pearce. The account is said to be worth more than £1m.

● **SIR ALEX JARRATT**, chairman and chief executive of Reed International, has been elected president of the Advertising Association. Mrs. Sally Oppenheim, Minister for Consumer Affairs, will make her first ministerial speech on advertising at an AA lunch at the Savoy on July 19.

Adpads

keep your name on your customers desk for months and months



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Adpads won't be thrown away. They are printed to your specification, and make a handsome and lasting company gift. That means your name will be remembered by the right person for a long time. Fill in the coupon or ring Sue Maloney on Uxbridge 52131 for full colourful details.

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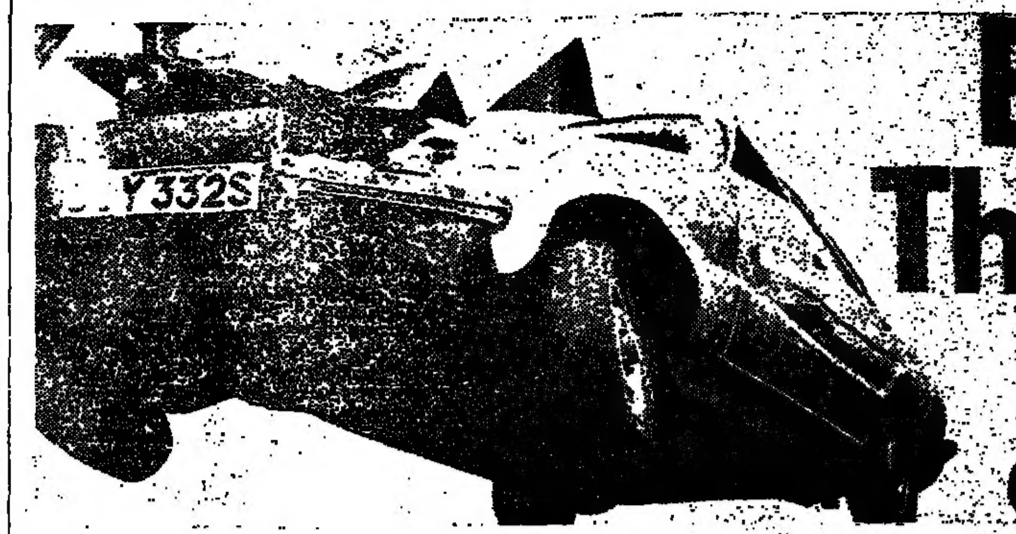


Beware of The Blunders.

Clunk Click. Quick!

Clunk-Click. "Government advertising is indeed propaganda. But there is no State marketing plan."

GOVERNMENT ADVERTISING

BY MICHAEL THOMPSON-NOEL

A £20m budget, but no Big Brother

"SCRAP THE ADS" may or may not be the call ringing through Whitehall departments just now. But as Ministers *and their aides shuffle* figures to and fro in a search for Government spending cuts that is beginning to reach frenzy, the whole *raison d'être* of Government advertising, from Clunk-Click to "Save It," from crime prevention and prison officer recruitment to TV licence evasion—is *bound to be reviewed*.

If there could be any credence in the notion that Government advertising was somehow sinister, that it was paving the way for the day of Big Brother, it would be easy: the ads would be scrapped and Ministers *could* bathe in the reflected glory of having rolled back the powers of the State while at the same time saving millions of pounds.

More rewarding

But it is not a bit like that. For a variety of reasons, Government advertising ranks among Britain's most efficient, most effective, most economic and admired advertising. Total UK advertising expenditure this year will top £2bn, some of it promoting rival soaps or bubble gums or tobaccos or beans. Only the tiniest fraction will be allocated to road *safety or* fire prevention or the recruitment of blood donors or to the *Commission for Racial Equality*—ads whose sole aim is to make life easier, safer, more rewarding, *more just*.

On the other hand, the sums involved are fairly large, which is why all Government advertising, from its concept to its execution, is undergoing the closest re-examination.

In 1960, paid-for advertising by the Government cost £1.2m. *By 1970: £7.8m. Four years* later: £12.8m. In 1975-76, when the sum reached £14.8m, the *Government emerged* as Britain's biggest single advertiser, partly because of the cost of *three major campaigns* — energy conservation, the counter-inflation drive, and the *EEC referendum*.

It was not No. 1 last year. In total, Unilever and Cadbury-Schweppes *are thought to have* spent more, though at £18.8m, the Government was not far behind. *The sum spent last* year included £11m on *Press* advertising, £6m on TV, £118,000 on cinema, £410,000 outdoor, £164,000 on radio and a total of £320,000 on advertising *research*.

Prior to the election, the budget *for Government advertising this year is thought to* have totalled more than £24m provisionally, though with the *ascension of Mrs. Thatcher, all* bets are off. Some campaigns are steaming along because *steam they must*, notably armed forces recruitment and, to some extent, *Clunk-Click*. Others are *in abeyance*. The cuts, when they come, will be at the behest of the various Whitehall departments, for the truth is that there is no single body that lays down policy and approves expenditure for Government advertising *en bloc*. Government advertising is indeed propaganda. But there is no State "marketing plan." There is no Big Brother.

Government advertising means all ads bought and paid for by Government departments. It does not include advertising on behalf of the nationalised industries, such as the Post Office and its Buzby bird, nor does it include advertisements for National Savings, nor Civil Service recruitment, nor the celebrated anti-smoking and Pregnant Man campaigns devised for the Health Education Council.

On the other hand it does include Clunk-Click for the Department of Transport (plus other campaigns under the general heading of road safety): "Save It" for the Department of Energy: police and prison officer recruitment for the Home *Office: plus work for a variety* of clients that include the Equal Opportunities Commission, the *Manpower Services Commission*, the Office of Fair Trading, the Metrication Board, the Royal *Mint, and so on.*

Research unit

Government advertising is managed by the advertising division of the Central Office of Information, created by Lord Attlee in 1946 as the post-war successor to the Ministry of Information. The division has a staff of 36, nearly all from commercial advertising agencies. There is also a five-man COI research unit.

In a sense, Government advertising has come full circle to its current-day bias towards energy conservation and economic matters. There were energy campaigns in the days of austerity, such as the one that enjoined the citizenry to take a two-inch bath (2in of water). By the 1960s, public health and safety (including anti-smoking) were much in vogue, though much of that work has been hived *off to the* Health Education Council. Road safety ads were introduced in 1966, by which time Government advertising was attempting to tackle public attitudes and behaviour and was discovering that a branded-goods style of advertising *was not inappropriate*.

"There's nothing dull or unsophisticated about Government advertising," says *one insider*. "It ranges from the direct response technique of recruitment *ads to mass persuasion* campaigns. There is also a need to convey strictly factual information about Government legislation, employment prospects, health, social security, development grants, aid to small firms, and so on."

Until 1959, the Government did not use television advertising at all. "We viewed the medium with caution for four years. After all, we are spending public money and we never forget it." The Government's first use of TV was for Army recruitment in a test campaign in the Midlands, after which the power of tele-ads was discernible even at the Treasury and the medium has been used ever since.

Under the COI's terms of reference it is responsible for the technical implementation and management of Government ads. It is responsible for cost effectiveness, which includes the choice of media; for the quality of the creative work, and for initiating research and monitoring results. In all cases it is responsible to Whitehall. It is Government departments that formulate the policies around which campaigns are built; not the COI. Money is voted to the COI against programmes and priorities discussed each autumn. How many soldiers does the Army want? What are the priorities on energy?

What does the COI add that could not be achieved directly between agencies and Whitehall: "First, we provide a great concentration of expertise," says the COI. "Second, we wield considerable clout because the Government is one of Britain's biggest advertisers. To make our pounds work harder we brought in central buying of media, and have made a considerable impact."

Last June it was estimated that over the previous three years, centralised TV buying as well as economics on the Press, print and poster fronts had saved around £1.8m (over and above normal volume discounts). That is no small achivement in such a specialised field.

The COI has 19 agencies—17 in London, including most of the biggest names in town, plus two in the provinces. Collett Dickenson Pearce, for example, handles TV licence anti-evasion and Army officer recruitment; Boase Massimi fights crime and *fire; Y. and R. handles Clunk-*Click, "Save It" and five other campaigns; Wasey Campbell-Ewald *produces those powerful* don't-drink-and-drive ads and J. Walter Thompson looks after recruitment of RAF and WRAF officers, plus metrication publicity.

How are agencies selected? To assist it, the COI has an independent Advisory Committee on Advertising, whose members are drawn from commerce and business.

Accounts are reviewed once a year. If competitive presentations are called for, the incumbent agency repitches against two, three or more rivals. The COI studies their *track records*, their growth and the calibre of people they would appoint to the account.

The Government used to employ as many as 30 agencies. The number has been trimmed to 19 partly to concentrate on talent, partly to provide extra incentives for the agencies. Average tenure per account is six to seven years. Some accounts stay with the same agency for as much as 15 years. Either way, Government accounts are vigorously fought for, for they scatter prestige (and prizes) wherever *they go*.

Tone of voice

But does the Government *need* to advertise? According to the COI: "PR and Press releases have their role to play. But there are some subjects where the need is for continuity *of persuasion. That means you* must buy your own publicity, run it when you want and in *your own tone of voice*. Having bought it you can check it: measure the decay rates of the campaigns you've bought, measure awareness levels and discover optimum expenditure levels."

Let us look at two campaigns, "Save It" and Clunk-Click, the latter of which is specifically to do with seat belts. Unless all the recruitment campaigns are lumped together, energy conservation is the Government's biggest single account. In 1977-78, media expenditure on "Save It" totalled £1.46m, £1m on TV, the balance in the Press.

Last year the spending rose to £1.75m. Production, printing and other costs took the total sum above £2m. *Of the sum* actually spent on ads, £483,000 was specifically aimed at the *motorist, £300,000 at industry* and nearly £700,000 at domestic energy users. With the world *energy users.*

"Save It" is a good example of a Government campaign that sets out to change public attitudes via the provision of hard facts. On the domestic front it demonstrates how commonsense—the insulation of lofts and storage tanks, double glazing and turning off lights—will cut bills and save resources. Campaigns directed at the motorist and at industry (*many companies now employ* an energy manager) are equally easy to comprehend. Energy-saving *campaigns* have been run on the Continent and in the U.S., but as in so many other fields of public service advertising, the UK is thought to be splendidly out ahead, particularly in the way it co-ordinates the work via the Department of Energy.

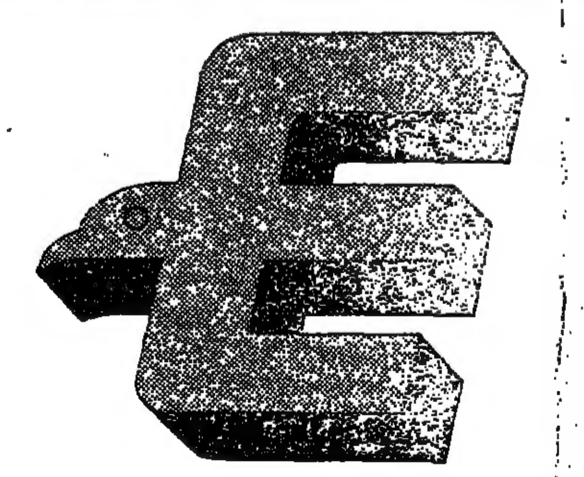
The Blunders

Clunk-Click, one of a number of major road *safety* campaigns, simply attempts to persuade motorists and their passengers to belt up. *The COI has tried* all sorts of media mixes, and finds that TV plus posters is the most effective. There is a major burst on right now; between March and the *end of this month*, £1.1m is being spent on the seat belts campaign via Young and Rubicam, which has held the account since 1972.

In theory, there is no limit to what you can spend on seat belt advertising. In practice, the COI beavers away in a bid to maintain awareness of seat belts as life savers. Recent research shows that about 30 per cent of motorists generally wear a seat belt, though the figure varies. The aim of each advertising burst is to raise the pre-burst figure by at least 3 to 5 per cent and hold it there as long as possible, which might be four to five weeks. Then the percentage of wearers starts to fall back.

Disc jockey Jimmy Savile led the campaign for four years but was thought to be wearing out (in the ads, that is, not as a DJ), so the agency invented the Blunders. *The Blunders* are a family of nincompoops who cause accidents wherever they go. *The original concept* was of a family called the Bonkers, who were absolutely lethal, so *much so that they defied belief* and were replaced by the Blunders.

Clunk-Click demonstrates some of the problems that Whitehall is facing in its search *for expenditure cuts. "Scrap* the ads" may have a nice ring to it in the corridors of power, *but it will not be so easy to put* into practice.



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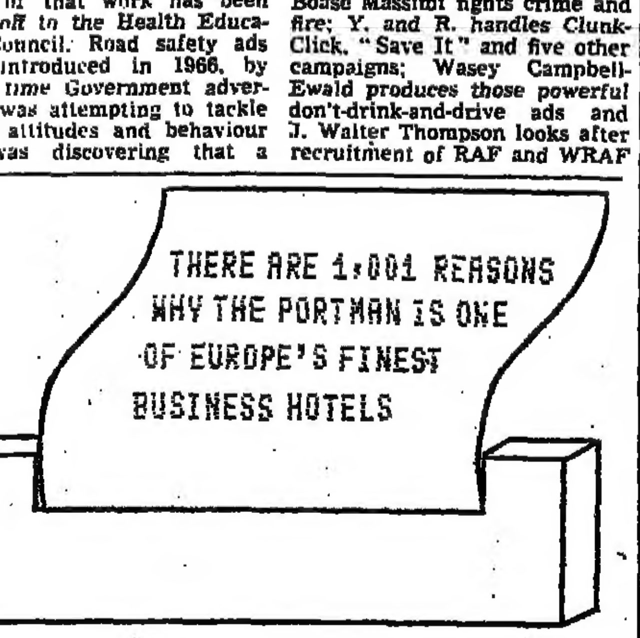

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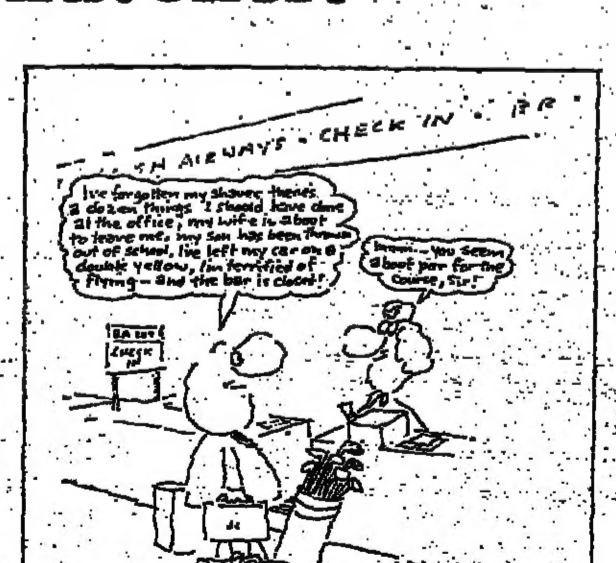

If you are regularly involved in making or planning business trips you will know just how difficult it is to strike the right balance between cost, comfort and convenience.

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The Peugeot 604

UNCOMPROMISING ELEGANCE AND SURPRISING ACCELERATION.

You would normally associate the exceptional space, comfort and luxury fittings of the Peugeot 604 with cars costing a great deal more. You would expect spacious leg and head room in a saloon of this size, thick pile carpets and a choice of rich velour or luxury leather upholstery.* You wouldn't be surprised to find, as standard, tinted glass, electrically operated windows and sunroof, central door locking and power steering. The 604's elegant good looks conceal a 2.7 litre V6 engine. There are two models to choose from, the SL Carburettor or the TI with Bosch K-Jetronic fuel injection capable of generating 60 mph in just 9 seconds – only a tenth of a second slower than the BMW 733i.

The 120 mph top cruising speed shouldn't be needed in Britain. But high mileage drivers will appreciate the reserve power for effortless overtaking. From 40 to 70 mph in 6.9 seconds – though inside you'd never know it. The 604 whispers along, hugging the road. Driver and passengers are carried in tranquil luxury usually associated with far more expensive cars. Any one of our nationwide network of 250 dealers will gladly let you drive a 604 yourself. Test its luxury. Test its power.

We think you'll be agreeably surprised.

Recommended retail prices correct at the time of going to press: From £8,117 for the SL Carburettor and from £9,758 for the TI fuel injection. Standard items include tinted glass, electrically operated sun roof and windows, power steering and centralised door locking. The TI price includes a 5-speed manual gearbox, lacquered metallic finish and electronic ignition. Automatic transmission, leather upholstery,* air conditioning and headlamp wash/wipers are available as options. Prices include VAT, car tax and seat belts but excludes delivery charges and number plates. (Source of acceleration figures: 0-60 mph: 604 TI Car Magazine; BMW 733i Autocar. 40-70 mph: manufacturer's figure. 604 TI top speed – What Car?).

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616

JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

Latest indicators of management salaries

BY MICHAEL DIXON

JULY'S FIRST Thursday again brings this column's indicators of salaries for work of managerial kind, based on the latest four-monthly survey from Reward (1, Mill Street, Stone, Staffs. ST15 8BA; tel. 078 583 4554).

The table relates to 1,921 people aged 33-37 who registered as job candidates during January-April with the Professional and Executive Recruitment Agency. The brackets give comparative figures for February-May 1978. The word "staff" means "officers and managers."

The left-hand half of the table covers all candidates in the particular category, and the right-hand half only those deemed professionally qualified. The upper quartile is the salary of the person who would be a quarter of the way down the pay ranking for each category, the median the salary of the person half way down, and the lower quartile that of the one three quarters of the way down.

Comparisons should take account, not only of age, but also of certain adjustments recommended by Reward. All people currently employed should add 4 per cent for time-lag. The addition should be increased to 12.5 per cent for those working in international or big national concerns, and to 9.5 per cent for those in regional organisations with 100-300 employees.

	All in sample						Professionally qualified only					
	Lower quartile	(1978)	Median	(1978)	Upper quartile	(1978)	Lower quartile	(1978)	Median	(1978)	Upper quartile	(1978)
Age group 33-37	£	£	£	£	£	£	£	£	£	£	£	£
General managers	7,100	(5,500)	8,500	(7,000)	10,000	(8,425)	8,000	(6,337)	9,000	(7,500)	10,200	(10,062)
Admin. managers	4,700	(3,900)	5,600	(4,750)	7,150	(5,700)	5,412	(4,650)	6,900	(5,000)	7,837	(6,000)
Company secretaries	4,900	(4,375)	6,450	(5,200)	7,000	(6,550)	6,362	—	6,500	—	7,250	—
Accountants	5,200	(4,500)	6,250	(5,500)	8,000	(6,500)	5,750	(5,500)	7,200	(6,150)	8,500	(7,000)
Cost accountants	4,912	(4,100)	5,500	(4,875)	7,000	(5,787)	5,000	(5,000)	5,750	(5,775)	7,325	(6,500)
Management services & computer managers	5,737	(5,275)	6,825	(6,000)	8,375	(7,450)	6,325	(5,300)	7,175	(6,000)	8,187	(6,700)
Systems analysts	5,237	(4,800)	6,025	(5,450)	6,537	(6,350)	—	—	—	—	—	—
Computer programmers	3,950	(3,737)	4,500	(5,000)	5,200	(5,675)	—	—	—	—	—	—
O & M/work study staff	4,575	(4,000)	5,200	(4,450)	6,000	(5,225)	5,037	(4,250)	6,225	(4,800)	6,775	(5,275)
Personnel staff	5,300	(4,300)	6,525	(5,250)	7,437	(6,250)	6,700	(5,275)	7,250	(5,925)	8,575	(7,025)
Training staff	5,462	(4,050)	5,700	(4,750)	6,400	(5,250)	5,500	(4,337)	6,000	(4,825)	6,800	(5,500)
PR & information staff	4,800	(3,750)	5,300	(4,350)	5,800	(5,350)	—	(3,400)	—	(4,300)	—	(5,350)
Marketing managers	5,600	(5,500)	7,000	(6,500)	8,200	(7,362)	6,050	(6,000)	7,400	(6,600)	8,550	(7,625)
Sales managers	5,775	(5,000)	6,750	(5,800)	8,000	(6,725)	6,000	(5,350)	7,000	(6,000)	7,700	(7,200)
Sales office managers	4,100	(4,000)	5,000	(4,200)	5,650	(5,200)	4,625	—	5,000	—	6,000	—
Sales representatives	4,000	(3,500)	4,675	(4,200)	5,637	(4,950)	3,562	(4,000)	4,875	(4,500)	6,375	(5,500)
Technical sales representatives	4,000	(3,750)	4,800	(4,400)	5,500	(5,000)	5,000	—	6,000	—	6,600	—
Retail management	4,500	(4,000)	5,050	(4,500)	6,125	(5,500)	—	—	—	—	—	—
Production managers—engineering	5,200	(4,500)	6,000	(5,250)	6,962	(6,037)	5,950	(5,250)	6,900	(5,950)	7,800	(6,887)
Production managers—non-engineering	5,000	(4,500)	5,500	(5,000)	6,500	(6,000)	5,312	(5,150)	6,300	(6,075)	7,175	(7,062)
Production engineers	4,850	(4,500)	5,500	(5,000)	6,900	(5,750)	5,425	(4,700)	5,425	(5,000)	6,475	(6,100)
Mechanical engineers	4,875	(4,600)	5,400	(5,200)	6,850	(5,562)	5,050	(5,025)	6,450	(5,500)	7,500	(6,137)
Electrical engineers	5,125	(4,500)	5,925	(5,250)	6,775	(6,000)	5,600	(5,000)	6,200	(5,550)	6,950	(6,475)
Quality control engineers	4,812	(4,100)	5,100	(4,550)	6,125	(5,175)	5,100	(4,450)	5,400	(5,050)	6,037	(5,474)
Draughtspersons	4,200	(3,850)	4,700	(4,300)	5,287	(4,850)	4,287	(3,850)	4,750	(4,225)	5,250	(4,687)
Civil engineers	4,800	(4,000)	5,475	(4,750)	6,500	(5,850)	5,425	(5,850)	6,450	(6,500)	6,850	(7,250)
Technicians in engineering	4,487	(4,029)	5,000	(4,500)	6,400	(5,150)	4,500	(4,000)	5,200	(4,500)	6,500	(5,150)
Quantity surveyors	5,200	(4,762)	5,750	(5,000)	6,900	(6,000)	—	(5,000)	—	(5,450)	—	(6,875)
Chemists	4,100	(3,900)	5,000	(4,850)	6,000	(5,300)	4,500	(5,000)	5,400	(5,550)	6,375	(6,037)
Metallurgists	4,850	(4,300)	5,200	(4,800)	5,887	(5,500)	—	—	—	—	—	—
Physicists	4,950	(4,650)	6,000	(5,425)	7,100	(6,675)	—	—	—	—	—	—
Distribution managers	4,500	(3,900)	5,100	(4,500)	6,000	(5,000)	5,000	—	6,000	—	7,200	—
Purchasing staff	4,300	(3,800)	4,975	(4,500)	6,000	(5,000)	4,800	(4,450)	5,550	(4,750)	6,000	(5,750)

BANKING & FINANCE

The following are a brief selection of the many vacancies we are handling in the finance sector. If you are thinking of changing jobs we believe that we can help you to optimise your career potential. For an informal discussion please contact Mike Jackson.

CHIEF F/E DEALER	£12,000-£18,000
MANAGER EXCHANGE CONTROL	£10,000-£15,000
OPERATIONS MANAGER	£8,000-£13,000
DEPUTY F/E DEALER	£7,000-£12,000
STERLING DEALER	£7,000-£10,000
MANAGER DOC CREDITS	£7,500-£10,000
AUDIT & INSPECTION*	£6,000-£10,000
FINANCIAL ANALYST*	£8,000-£9,500
LENDING OFFICER*	£7,000-£9,000
LOANS ADMINISTRATION	£5,000-£8,000
CREDIT ANALYSIS	£6,000-£8,000
STERLING DEALERS BACKUP	£5,000-£7,500

All these vacancies are based in C. London, carry normal banking benefits and are primarily aimed at candidates with a good banking background. *Vacancies marked * would suit Accountants as well as Bankers.* We are also looking for Bankers who have at least one other language, possess a good knowledge of EDP and are interested in working overseas.

HUDSON SHRIBMAN INTERNATIONAL LIMITED
International Recruitment Consultants
29-31 Mitre Street, London, EC3
Tel: 01-283 1954

INTEREXEC

UNADVERTISED VACANCIES

Interexec provide Britain's largest and most comprehensive confidential career *advisory and job searching* service for senior executives entering the employments market either in the U.K. or overseas.

Interexec clients are never expected to register with an agency, apply for a job, research an employer, prepare any written presentation, write a letter or even find vacancies.

Interexec trained staff undertake all this and more to assist executives to secure senior positions quickly and effectively.

If your future is in doubt, contact:

Interexec, 31 Southampton Row, London WC1B 5HJ, 01-404 4321

Milburn House, Dean Street, Newcastle-upon-Tyne. Newcastle (0632) 29334

ema

CONTROLLER/DIRECTOR DESIGNATE

Yorkshire to £14,000 + car

The prime source of advice to the Managing Director on operational controls and development strategy, the Controller will be responsible for both the financial and administrative functions. Developing systems, probably through computerisation, he or she will have an active role in planning, client negotiations and capital and revenue financing.

Turning over £7 million providing a range of services to commercial users, our US subsidiary client is forecast to expand both through acquisition and development of European markets. Applicants, aged 30-45, should be qualified accountants ideally with experience of a capital intensive industry. Please telephone or write to Graham Webster FCA, MBA quoting reference 1/866.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

ARAB PETROLEUM INVESTMENTS CORPORATION

APICORP

Apicorp has been set up by the member states of OAPEC to finance oil, gas and their related projects. The capital is denominated in Saudi Riyals. Capital funds including reserves are equivalent to around US $400 million.

The Finance Department of the Corporation's offices located in Al-Khobar, which is located in the Eastern Province of Saudi Arabia, is looking for the

TREASURER

The Division has the responsibility for investing surplus funds not yet required for project financing, with careful consideration for undrawn project commitments, interest rates, maturities and currency risks. It handles the placement and dealing in deposit markets of all major currencies, and the placement and dealing in money market instruments and in international bond markets. Foreign Exchange market dealing is another major function of the Division. In the future, the emphasis of the Division will shift from investing surplus funds to the funding for project financings over and above Apicorp's capital funds. The Treasurer reports to the Finance Manager.

Negotiable salary will be equivalent to US $50,000+ per annum. In addition the Corporation has an excellent benefit package including free air-conditioned furnished accommodation, 32 working days annual holidays plus public holidays, transportation allowance, free life assurance, medical care, annual holiday air fares, relocation expenses and terminal gratuity.

Please apply, in confidence, giving relevant details of personal and work history. Air mail letters to be sent to:—

The Administration and Personnel Manager,
Arab Petroleum Investments Corporation,
P.O. Box 448, Dhahran Airport,
Saudi Arabia.

All applications will be acknowledged, and interviews will be held either in the UK or Saudi Arabia. Successful applicants will have the opportunity to visit the Kingdom before accepting an offer.

ema

COMPUTER AUDIT MANAGER BANKING

London £12,000 + bonus up to 15% + low cost mortgage

Managing an expanding department of high calibre staff, the Manager will concentrate on the initiation of procedures and controls applicable to developing computerised systems. Closely involved in the various aspects of systems development, he or she will liaise extensively with and influence the decisions of senior banking and technical staff.

The London branch of one of the world's leading banking groups, our client is undergoing a period of major systems development. Aged 28-35, applicants should be qualified accountants with computer audit and managerial experience, ideally including banking experience. Please telephone or write to David Hogg FCA quoting reference 1/865.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Financial Analysis through to General Management to £13,000 + Car

Our Client is a very large British Engineering Group, fully international, and a powerful operator and competitor on a worldwide basis in a number of industrial sectors.

They now wish to appoint two ambitious graduate accountants or MBAs aged about 30 with five years' industrial experience. who will be responsible for financial analysis and review of major product, price and facility proposals, strategic plans, acquisitions and divestments and the appraisal of subsidiary companies' operating performance.

The successful applicants will not be desk bound and will work to Main Board Director level. Long term ambitions should include a wish to make the grade in a fully profit accountable general management role or in very senior financial management, in order to capitalise on the experience gained and satisfy the Group's management requirements.

The vacancies are located in London and the North-West.

Please write with brief but relevant details by first class mail to B. H. Mason at John Courtis and Partners Ltd., Selection Consultants, 78 Wigmore Street, London, W1, quoting reference 677/FT or telephone 01-486 5282 during normal business hours.

JC&P

Legal Adviser/ Company Secretary

c. £15,000

This company specialises in the provision of equipment, supplies and skilled personnel for a vital social service in developing countries. In particular, it makes available British know-how, design and management. The person appointed will report to the Chairman and the key responsibility is to advise on all legal matters of the company's commercial and contractual operations. Other functions will include provision of the company secretariat and management of certain aspects of central administration. Candidates should be qualified lawyers with experience, ideally within industry or commerce, or in providing legal support to overseas business activities.

Familiarity with Middle Eastern countries would be an advantage. The employment package includes a car, profit sharing scheme and contributory pension fund. Location: Central London.

PA Personnel Services Ref: PF56/6965/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

iib

SENIOR EUROBOND DEALER

The Italian International Bank Limited requires a Senior Dealer to develop and expand its Eurobond activities. In addition to having a proven dealing record, applicants should be well versed in underlying accounting and settlement procedures. Salary negotiable and excellent fringe benefits.

Apply in the first instance to:—

Mrs. Jeanne Rout
Personnel Manager
Italian International Bank Limited
P & O Building
122 Leadenhall Street, London EC3V 4PT
Tel: 01-623 8700 Ext. 236

Financial Controller

European Operations

c. £12,000 + car West Surrey

Our client is the rapidly expanding European subsidiary of an American parent and markets sophisticated electronic equipment through branch offices located in four major continental cities. Turnover has doubled in the past four years. The Financial Controller's responsibilities embrace not only the financial function, but administration, personnel and sales, and involve regular travel to Europe. The present incumbent is moving to a senior appointment in the U.S. head office.

Candidates, aged up to 35, must be qualified accountants with at least two years senior accounting experience in commerce, ideally with European involvement, and with the ambition to accept general management responsibilities in a fast moving environment.

Applications in confidence to E. A. C. Griffin (Ref. 6408).
This appointment is open to male or female candidates.

mh Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

North West Lancashire
STOCKBROKERS
require a
DEALER

to assist the partners of an expanding country firm. An adaptable person is required to work on the clients' side of the business. Experience in a Stockbroker's office is essential. A member, or person with the Stock Exchange exams is preferred as the position carries excellent long term prospects.

Replies in strict confidence, stating experience, to:

JAMES BREARLEY & SONS
28 Springfield Road, Blackpool - Tel: 0253 21474

Property Research Analyst

We are a major firm of Chartered Surveyors with an established reputation in the fields of property investment and portfolio management. A research unit has been set up to analyse data relating to the property investment market and we wish to appoint an analyst to assist our existing Research Economist.

He or she will, ideally, have graduated in Mathematics, Econometrics, or related fields and have around 3 years' analytical experience, possibly within the research department of a major stockbroking firm. A working knowledge of programming would be useful.

A competitive starting salary will be offered reflecting qualifications and experience. Please reply in confidence to G.A.C. Wood, Richard Ellis, 64 Cornhill, London EC3V 3PS.

Richard Ellis

C&L

London £30,000 +

MANAGING DIRECTOR

For an innovative and highly successful internationally backed direct marketing organisation.

The man or woman appointed will combine the flair of the entrepreneur with the skills of a professional manager.

Substantial experience of consumer marketing, advertising, general management and profit responsibility is essential.

Résumés including a daytime telephone number to E. J. Robins, Executive Selection Division, Ref. RF589.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants

Shelley House, Noble Street, London, EC2V 7DQ.

ADP

Background in Banking or Finance? Looking for a challenge and high reward? Then you will find these SELLING our computer services to Banks.

Your experience......Will include a number of the following:— banking experience in investment, Mergers and Acquisitions, Credit Analysis, Loans or Leasing.

We are......ADP Network Services, an international company providing computing facilities and financial information for Banks and major organisations.

Your reward......High base salary — on target earnings not less than £10,000 per annum + car + pension + BUPA + company doctor + expenses + career progression.

ADP operates throughout the USA, UK and in most European countries. Our banking clients include the clearing and major International Banks in London.

We prefer a degree or professional qualification — age 25+ — a capacity for hard work — a willingness to apply your skills and experience in a competitive sales environment.

RING OR WRITE — SID BOWEN

ADP Network Services, Brettenham House,

12/13 Lancaster Place, London WC2E 7EN

Telephone: 01-836 9631.

Finance Director

S.E. London c. £11,000 + car

This well established company (Turnover approaching £4m.) wishes to appoint a broadly experienced Finance Director with sound business judgement to ensure its successful expansion into the 1980s.

The company manufactures a wide range of specialist plant and equipment and exports over 60% of its output. But competition is increasingly tough and management must constantly be on the alert to make sure the company maintains its competitive edge. This is where you as a skilled top financial executive could be at your most effective, highlighting adverse trends and seeking out ways to optimise the assets employed. Ongoing systems development is also vital to ensure management is kept provided with prompt and meaningful information on which to base its decisions.

If you would enjoy top level involvement in the growth of a manufacturing company and are a Qualified Accountant aged over 35 with several years industrial experience, this could be your passport to a very satisfying and rewarding future.

Applicants should apply for a Personal History Form, quoting ref. no. AC246/FT to:

W. S. Gilliland, Thornton Baker Personnel Services Limited, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422.

A member of the Management Consultants Association

tb Personnel and Industrial Relations Consultants

Mothercare

Watford c.£9,000+car

Due to an internal promotion, and the continued expansion of Mothercare, a vacancy has occurred for a young and ambitious **Chartered Accountant.**

Reporting to the U.K. Chief Accountant you will be responsible for the preparation of U.K. budgets, budgetary control, the development of corporate planning using sophisticated modelling techniques, capital expenditure and taxation. Once established further interesting responsibilities will be delegated.

The reputation of Mothercare, founded on its management and profits record, together with its controlled growth ensures that opportunities for advancement are far reaching. Excellent benefits, including relocation assistance if applicable, make this an attractive position.

Contact David G. Nevin on 01-405 3499 quoting reference DN/154/MCF

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA 01-405 3499

Financial Controller

(Director Designate)

c. £12,000 North-West England

A successful and highly progressive manufacturing company requires a Financial Controller *(Director Designate)*. Responsible to the Managing Director he/she must be a qualified accountant, aged 30-40, with at least three years industrial experience including standard costing, data processing and management information systems.

This is a key appointment and candidates will be assessed not only on their technical skills but also on their ability to cope with the demands of a *fast growing*, dynamic company.

In addition to the salary, there are exceptionally good benefits.

Applications in confidence to B. G. Luxton (Ref. 6404).

mh Mervyn Hughes Group

2/3 Cursitor Street, London EC4A 1NE

Management Recruitment Consultants

01-404 5801

ACCOUNTANCY CONTROLLER

FINANCE AND ADMINISTRATION DIRECTOR DESIGNATE

Our client, Fugro Ltd., is a small highly professional consultancy company located near Ruislip, West London. It operates throughout the world and supplies geotechnical services to the oil and other industries and to local and national governments. It is the British affiliate of Fugro Consultants International B.V.

Due solely to the expansion of the business the company now wishes to appoint a person (male or female) to assume control of its accounting, finance and administration functions (manual and computer) and to advise on secretarial aspects such as contract law. The initial position will be Accountancy Controller but the person selected must have the capability to become, within about a year, the Finance and Administration Director.

Candidates, about 30 to 40 years old, must be chartered accountants and should preferably be members of The Institute of Secretaries. They should have about 5 years experience in a responsible position in an engineering or high technology environment and be used to the application of computers in accountancy and administration.

Initial remuneration will be negotiable around £12,000 (including annual bonus) and a company car, top flight pension, private medical care for applicants, family, etc. will be provided.

Applications should be made to: John Hardman, Harold Whitehead and Partners Ltd., 21, Wigmore Street, London W1H 9LA.

WHITEHEAD

Banker

We are looking for an account manager who will make a major contribution to the expanding banking operations of Paribas in London. This will involve lending to U.K. industry and assistance with the financial requirements of British-based exporters and international traders.

The successful candidate will have marketing experience based on a sound credit background and be used to working on his own initiative. Some knowledge of French, or a willingness to learn the language is necessary.

A substantial salary and the usual banking benefits are offered.

Applicants, who should ideally be in their thirties, are asked to send a detailed career summary to:

Head of Personnel

BANQUE DE PARIS ET DES PAYS-BAS

33, Throgmorton Street, London EC2N 2BA

Assistant to the Company Secretary

C. T. Bowring & Co. Limited, a major Group of companies engaged in insurance broking, insurance underwriting, credit finance, merchant banking, trading and shipping requires an assistant who will work initially in the Company Secretary's office in the Group Headquarters and who will specialise in the insurance underwriting sector of the Group which is being expanded and which will move to separate premises nearby within the next year.

Duties will cover a wide range of secretarial, statutory, legal and administrative affairs, but not accounting.

Applications are invited from graduates or persons with legal, accounting or company secretarial qualifications, preferably aged between 24 and 28.

Salary will be negotiable according to experience and excellent benefits are offered.

Please apply in writing giving details of education, qualifications and previous experience to:

The Secretary,

C. T. Bowring & Co. Limited,

The Bowring Building, Tower Place, London EC3P 3BE.

Telephone: 01-283 3100 ext. 511

Bowring

GROUP TAXATION

A major U.K. multi-national company wishes to recruit a Group Taxation Manager who will be located in the North West. This is a new appointment and is open to male or female applicants.

Candidates should have had wide experience in U.K. and overseas corporate tax, particularly in the area of tax planning. Such experience could have been gained either within industry, the profession or the Inland Revenue.

The selected person should have a commercial approach and would be primarily involved in advising senior management on tax matters generally and would be expected to work closely with the Group's legal and accounting advisers.

Remuneration and other conditions are unlikely to be a barrier to the right person.

Please reply in the first instance to:—

WALTER JUDD LIMITED (Ref: L213), (Incorporated Practitioners in Advertising), 1a Bow Lane, London EC4M 9EJ,

indicating the names of any companies to whom you do not wish your reply to be sent. If the list includes the company involved, your application will be destroyed.

Senior Credit Officer

City to £12,000

Our Client is the newly-established London office of one of New York's oldest and most substantial bank and trust companies.

The current requirement is for an experienced international banker, ideally 28-32, with a good background in both U.K. and international credit and lending activities. In addition to a thorough training in credit analysis, the successful candidate will demonstrate personal qualities of maturity and sound judgement which, combined with in-depth banking knowledge, will make a positive contribution to the future growth of the organisation.

This is a most attractive 'ground floor' opportunity for personal development in a well-respected and expanding institution where the significance of this appointment will be reflected in a highly competitive salary and fringe benefits to match.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

Accounting Systems Development

Central London c.£10,000

A major U.K. based worldwide manufacturing group is now setting up a small team of Qualified Accountants or Graduates to develop improved accounting and financial control systems to meet the demands of a new organisation structure. Initially the team will work in conjunction with external consultants but will progressively undertake more and more assignments on its own. You should be aged around 30 and have experience of re-designing and implementing financial, management accounting and associated systems, covering manual and computer-based systems. The positions will provide variety of work, ongoing involvement with management and opportunities of short term visits in the U.K. and possibly overseas. Career prospects in the systems field or line management are good.

Applicants should apply for a Personal History Form quoting ref. no. AC248/FT to:

W. S. Gilliland, Thornton Baker Personnel Services Limited, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422.

A member of the Management Consultants Association

Projects Accountants

London based with International Assignments

£11,000-£15,000

The projects on which you will be engaged with this British owned world-wide manufacturing group will encompass the entire financial spectrum, including acquisition appraisals, locum management duties, systems development and operational unit investigations. These will provide opportunities to visit such places as the Americas, Far East, Africa and Europe on short term assignments.

You will be a Qualified Accountant with several years wide industrial experience, possibly including some in consultancy. Previous overseas involvement and spoken French or Spanish would be helpful but not essential. Age is less important than flexibility and mobility, communicative ability and strength of personality.

There are excellent longer-term career opportunities in the UK and overseas and the conditions of employment are all you would expect of a group of this standing.

Applicants should apply for a Personal History Form, quoting ref. no. AC 247/FT to:

W. S. Gilliland,
Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.

A member of the Management Consultants Association

tb Personnel and Industrial Relations Consultants

£6,000-£9,000

ACCOUNTANCY APPOINTMENTS

appear every Tuesday

For further details contact:

SALLY STANLEY

01-248 8000 Ext. 7177

INSTITUTIONAL SALES

LEISURE

SCOTTISH STOCKBROKERS, EASTON, WATSON & SMITH, have a vacancy for an institutional salesman/woman to join their team providing a specialist service on the Leisure Sector to institutional clients. Candidates should have at least two to three years' experience of institutional investment. Applications should be sent with a curriculum vitae to:

The Head of Research,
EASTON, WATSON & SMITH,
26 West Nile Street, Glasgow G1 2PG.

Jonathan Wren · Banking Appointments

EUROBOND EXECUTIVES

Locations Paris & New York

Our clients are major American investment banks seeking experienced Eurobond *professionals willing to relocate.*

YANKEE-EUROBOND SALESMAN — NEW YORK CITY

Owing to planned expansion an opportunity exists for a Yankee/Eurobond executive to work in the Institutional Bond Department of this firm. The successful *applicant will have well established contacts with Central Banks and European* institutional accounts as well as in-depth experience of primary market placements and a working knowledge of the secondary Yankee and Eurobond markets. A generous remuneration and benefits package is offered together with excellent prospects.

EUROBOND TRADER — PARIS

A rare opportunity exists to join the expanding Paris office of this international investment bank. A demonstrable track record of bond dealing in the primary *market over a period of years is essential.* A knowledge of French would be a distinct advantage.

EUROBOND SALESMAN — PARIS

Development of capital market activities has created a vacancy for an experienced executive whose role *will* be to develop and maintain relationships with established and potential investment clients. A proven track record and a thorough knowledge of the secondary market is essential. Knowledge of a second European language, though not essential, would clearly be an advantage. A good benefits package *is offered.*

For all these positions salary will depend on the extent of experience and other qualifications, but will be attractive and will include a generous relocation allowance.

Please forward a detailed curriculum vitae in confidence to ROY WEBB or telephone for an initial discussion.

First floor—entrance New Street

170 Bishopsgate London EC2M 4LX 01-623 1266

Accountants for Management Consultancy

c.£8,000-£14,000

London or Birmingham

We need first-class accountants from industry/commerce, aged 26-35, who have recognised the need to develop their abilities through exposure to a variety of problems in different industries.

As the Management Consultancy arm of one of the largest world-wide firms of Chartered Accountants, our work covers all the functional areas of the business environment. Many of the assignments are undertaken by teams of specialists, with accountants working alongside economists and computer and marketing specialists. This method of working encourages the broadening of business expertise and development of commercial acumen.

We are looking for accountants who can take an unblinkered view of issues and who have the ability to assist management in making better decisions. Applicants must have had at least two years' post-qualifying commercial experience, be of graduate level intelligence and experienced in at least one of the following areas;

Management Accounting

Assignments include the design and implementation of information and control systems. Practical experience in an industrial environment and a sound knowledge of costing are required. (Ref.802)

Treasury

Assignments include reviewing clients' treasury operations and designing management systems. At least two years' experience of treasury work in a major organisation is required. (Ref.803)

Internal Audit

Assignments include appraising companies' internal audit activities, defining future requirements and assisting with the setting up of new or improved internal audit departments. At least two years' experience in a well-established internal audit department is needed. (Ref.804)

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A.C. Crompton quoting the appropriate reference on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX.

Managing Director

Hong Kong — c. £30-35,000

Major capital investment by this prominent Hong Kong enterprise will shortly culminate in an important new service becoming available in the territory. The facilities will offer a significant benefit to the public and the financial forecasts anticipate a sound return on capital employed. The MD will lead a team of 1,200 engineering and other operating employees, both expatriate and Chinese, as well as several hundred employed in the construction of new plant and in the staff functions. Previous P & L responsibility in a capital intensive business is required, supplemented by the ability to perform successfully in a demanding and discriminating environment. Candidates will ideally be in the 40-50 age group, and must demonstrate a notably successful period in general management, with financing experience, as well as some international experience in their backgrounds. Ongoing employment is intended, and renumeration in the range of HK$20-25,000 pm will be increased by a 25% bonus, assistance with family accommodation and education expenses, and salary will be subject to tax at the 15% rate. A car and driver, annual home leave, and other attractive benefits will be provided.

PA Personnel Services
Ref: GM26/6968/FT.

Project Marketing

Hospitals — £20,000

A prominent international name in the health care field, this substantial enterprise provides a service to over 400 communities in six continents. Throughout Europe, the dozen wholly owned or managed private hospitals will be increased in number dependent on *the success of the* Commercial Director whom we seek. The role is to identify potential hospital projects and to introduce local medical, financial and construction interests in order to establish new hospitals to provide the best possible patient care in areas of need. The Director will report to the Chief Executive, and will control an effective sales team based in the London headquarters. International sales experience at senior managerial level, involved with large-scale projects, is essential; *some knowledge of the medical field* is expected. Age: mid 30s plus. Salary at the level indicated with a comprehensive range of benefits.

PA Personnel Services
Ref: SM26/6962/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

CIA

Director-Commercial and Trade Affairs

This is a new appointment arising from a re-structuring of the Directorate following the retirement of the Deputy Director General.

The task, with responsibility to the Director General, is to provide techno-commercial, marketing, trade and operations support services to member companies and the industry, covering UK and overseas. Management of a specialist team as well as personal creative work in developing policies and programmes is involved.

Candidates, preferably under 50 and graduates, must have deep experience in the chemicals or allied industries including commercial/marketing management in international operations.

Five figure salary plus car and other benefits. London base.

For further information and application form please telephone (01-629 1844 at any time) or write – in confidence – to G. V. Barker-Benfield ref. B.8922.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Financial Controller, Director

S.W. London
c. £14,000 + car

A very rapidly expanding organisation in the food business offers challenge and exciting prospects for a financial executive.

An active acquisition programme, plus growth, has doubled turnover in four years. The management accounting, planning and financial control systems must continue to develop.

Above all, candidates must have business acumen and must demonstrate the personal qualities and strength required for senior general management. These attributes will qualify them for the very real prospects of rapid advancement in this organisation. Candidates in their thirties, will be qualified accountants, having a good background in business with a high volume of EDP controlled transactions.

For an application form, write in confidence *showing how you meet the specification and* quoting reference 1295/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
Blackfriars,
London EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Accountant Administrator

c. £10,000 — London

A financial institution of the highest standing seeks to fill the above position in its Consumer Credit Company. This new appointment represents an outstanding opportunity for career progression and the chance to make a personal contribution to the development and growth of a young company.

The successful candidate, male or female, will be responsible for the provision of a comprehensive accounting and administrative service, including the preparation and presentation of budgets and management accounts. There is also an involvement in the supervision of clerical staff and general office management.

Appicants, who should be in their 30's or early 40's, must be able to demonstrate a record of achievement in their career to date. Previous administrative experience is required, together with a working knowledge of computer applications in the accountancy field. An accounting qualification is likely to be a necessary requirement for selection. Experience in the field of consumer credit would be helpful.

A salary level of c.£10,000 is envisaged, though some flexibility exists to accomodate outstanding candidates. Significant fringe benefits will be provided, including mortgage assistance, staff loans, non-contributory pension scheme, free life assurance and, if appropriate, removal expenses.

Please write with full details of qualifications and experience to Position Number ASA 7406, Austin Knight Limited, London, W1A 1DS.

Applications are forwarded to the client concerned, therefore companies *in which you are not interested* should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Leading European Bank

requires a

FOREIGN EXCHANGE DEALER

for its active London Branch. The applicant should be aged between 23 and 28 with two to three years' dealing experience. A generous salary will be offered along with all the normal fringe benefits. Please write in confidence to the Companies Adviser, D. Harden, Streets Advertising Limited, 11 New Fetter Lane, London EC4A 1AS, in the first instance stating clearly any companies to whom your application should not be sent.

C&L

Saudi Arabia — **to £35,000 tax free + benefits**

FINANCIAL DIRECTOR

Our client is a major importing and distribution company which has branches strategically located throughout the Kingdom.

In recent years the company has been assisted in its development programme by a substantial number of expatriate staff at senior and middle management level.

The post of Financial Director carries total responsibility for the financial and data processing functions.

The requirement is for a qualified accountant aged 35-45 who is already at senior level in industry or commerce. Experience of the distributive trades would be particularly helpful, but more important is the *ability* to manage a *competent team and operate* effectively in a challenging environment. Benefits include free accommodation, a car and education allowances.

Brief *but* comprehensive *details of career and salary* to date, which will be treated in confidence, should be sent to E. H. Simpson, Executive Selection Division, Ref. S611 at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Commercial Manager

c £9,500

Assistant Commercial Manager

c £8,000

International Military Services Limited is a British Government sponsored company, engaged in the supply of defence equipment, technical support and major engineering projects for overseas governments.

Due to re-organisation we can offer opportunities for two Commercial Managers and three Assistant Commercial Managers to develop and implement the Company's contractual policies. Main responsibilities will be to advise and assist the operating divisions during the negotiating and drafting of contracts and agreements, and to represent the Company at negotiations both in the UK and *Overseas. In addition, the job holders will be expected to advise on ECGD insurance* and to negotiate with banking organisations.

Candidates, male or female, must have a broad commercial background (at a senior level for the Commercial Manager posts) and have considerable experience in the application of English Mercantile Law and the Law of Contract. At least 3 years' experience (5 years for the more senior posts) of drafting and negotiating contracts for the supply of goods, services or construction, familiarity with arbitration and litigation, and a good understanding of company finance, including ECGD insurance, are essential.

Benefits include a non-contributory pension scheme, personal accident insurance, BUPA and a generous annual holiday entitlement.

Please write with details of qualifications and experience to Mr. W. Wood, Senior Personnel Officer, International Military Services Limited, 4 Abbey Orchard Street, London SW1P 2JJ.

IMS — International Military Services Limited

Company Secretary

£10,000-£12,000

A £20 million public company in South London seeks a successor to its present Secretary who is reaching retirement. There are a number of subsidiary businesses and the company has international interests.

The person appointed, probably aged 35-40, will be qualified, have up to date knowledge of Stock Exchange requirements and experience of the usual facets of secretarial and legal responsibilities in a public company. Candidates must be able to cope with the pressures of growth generated by a thrusting, flexibly minded Board of Directors.

In addition to salary a car is provided and other benefits include contributory pension scheme, life assurance and help with removal costs, if applicable.

Please reply, in strict confidence, quoting Ref. 655/FT and giving brief details of experience, qualifications, age and current earnings to:

CB-Linnell Limited
8 Oxford Street, Nottingham
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM · LONDON

Group Chief Accountant

North West — c £11,000 p.a. + car

This is a career opportunity with a large international group of engineering companies. The successful applicant will be involved in a wide variety of work, assisting the Group Finance Director and the *management of the operating* companies in improving accounting systems and procedures and carrying out trouble shooting assignments in the units. Additional responsibilities will include the supervision of a small team providing senior management with finanical accounting and management information services.

Applicants, who must be chartered accountants, should be in their late twenties or early thirties. They should also have at least three years experience of overall responsibility for the finance function in an engineering company.

Applications giving career and salary history should be sent as soon as possible to Position Number APG 350, Austin Knight Limited, 35 Peter Street, Manchester, M2 5GD.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

NEW KEY ROLES
STRATEGIC MANAGEMENT RE-ORGANISATION
MAJOR UK HOLDING COMPANY

Two exceptional career opportunities! Join a dynamic and expanding international management team in Staffordshire which has built a profitable Group in five years to a worldwide turnover of over £100m.

Our Client: An autonomous division of one of the UK's larger public companies. Their growth in turnover, profits and return on shareholders' funds is enviable. By a planned programme of acquisition, 80 companies in 8 countries have been brought together (total employees 5,000); all involved in manufacture and/or distribution of medical products.

GROUP FINANCIAL DIRECTOR

c £15,000 + Car + Benefits

Your Role: Assume control of and develop further the Group's financial and management functions.

Reporting to the Chief Executive, your responsibility will be for the Group's finances and evaluation of Companies' performances. You will control: A small HQ staff • Monthly Reporting • Group Consolidation • Financial Planning & Evaluation • Budgets • Internal Control Systems • Audit • EDP Systems • Co-Ordination and Development of Accounting Methods & Standards. The present incumbent has been promoted to Corporate Planning Director.

Our Ideal Candidate: A qualified Accountant (ideally 35-45 years) with a proven track record in financial management and co-ordination of varied international companies. Apart from formal skills and a commercial approach to work in an entrepreneurial environment, we seek the firmness of personality and diplomacy to institute tight financial controls in a multi-national group.

Ref. 328. Group's Adviser: Mr. R. N. Goode M.A.

GROUP PERSONNEL ADVISER

to £12,000 + Car + Benefits

Your Role: Create the Corporate Personnel Function. Advise the Board on all personnel matters.

Reporting to the Group Chief Executive and working with the Divisional MD's you will: Evolve a Group Manpower Plan & Evaluation Programme • Co-ordinate remuneration policy • Advise on recruitment and selection • Provide consulting advice to Group companies • Create corporate management training. This is a completely new appointment created by the desire of the Board to be fully self-sufficient.

Our Ideal Candidate: A mature personnel professional with proven line management achievements, gained in a fast moving multi business and group environment. You must be • imaginative • innovative • knowledgeable on I.R. • A competent recruiter and trainer • Experienced in devising and running Management Training Programmes. Diplomacy, tact and human understanding are essential.

Ref. 330. Group's Adviser: Mr. W. L. Gill F.I.P.M.

Your Rewards: A high basic salary + Executive car + BUPA + Other large company fringe benefits.

ACT NOW! Write or telephone, for further information or an application form, to the nominated Group's adviser on 01-388 2051 or 01-388 2055 (24 hr Ansaphone). **Complete confidentiality assured.** (These appointments are open to male/female applicants)

MERTON ASSOCIATES (CONSULTANTS) LIMITED,
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, London WC2.

Group Financial Controller

(An Exciting Opportunity)

Our Client, a national company with a multi-million pound turnover, has a vacancy for a Group Financial Controller. A Chartered Accountant with at least five years experience in a senior accounting capacity in commerce or industry.

The successful applicant will report to the Financial Director, and be responsible for the provision of a complete accounting service. Although existing standards are high, there is exciting scope for professional innovation and personal development.

The benefit package is first-class and includes Company Car, generous relocation expenses as the person appointed will ultimately be based in Northern England. Our Client is flexible as to timing and interim location for which special allowances will be available.

Candidates, male or female, who can command a starting salary of c £10,000 per annum should apply without delay.

Please send a full C.V. quoting reference (FT25) as no application form will be used. List separately any Company to whom your details should not be forwarded.

Financial Appointments
72/74 Brewer Street, London W1

Financial Controller

Manchester, c. £9,500 + bonus + car

This autonomous subsidiary of an American parent is a manufacturer whose products have particular applications in the electronic and computer industries. Its markets are the UK and Europe, where there are independent selling companies. This Director Designate position reports to the Managing Director and carries responsibility for all financial and administrative matters including the consolidation of European company accounts for group purposes. There is a small support staff with computer back up for basic financial applications. Only qualified accountants in their early 30's, with knowledge of European accounting procedures, and experience in all facets of accounting, will be considered for this position which is demanding but provides total business involvement.

R.D. Howgate, Ref: 27135/FT.

Male or female candidates should submit a full written CV without delay to:-
MANCHESTER: 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

Export Manager

Telecommunications

North London — **£Neg. + Car**

Our client is a world leader in the telecommunications industry. Growing export sales, reflecting the company's stability and confidence in the future, have created the need for an Export Manager to boost overseas market penetration.

Working from a home base, you will be required to develop high level international customer contacts. In addition, you will need to obtain complex and detailed market data and structure it into well argued and sound product strategies.

Knowledge of tendering and contract negotiation procedures is a prerequisite. Fluency in both French and Spanish would be desirable.

Aged at least 30, you should have an HNC or degree in telecommunications, electrical or electronic engineering or physics and would ideally have about five years' experience within the industry preferably with field sales and/or marketing experience.

In addition to the attractive salary offered, excellent fringe benefits include a generous relocation package, where necessary, and a first class overseas allowance.

Candidates, male or female, should telephone or write to Peter Bowstead quoting Reference 2462.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

MANAGEMENT ACCOUNTANT

City — £10,000

Our client is a rapidly expanding and successful international group which manages a number of investment trusts, unit trusts, pension funds and offshore funds as well as private client portfolios. They now wish to recruit someone to develop and implement effective systems to provide detailed and relevant information to the managers of these funds on a worldwide basis.

The successful candidate will be expected to establish the information requirements of managers and assist in the introduction of computer based systems to achieve these ends. Applicants should have experience of portfolio investments and currencies, the provision of management information, and of exchange control. A high intellectual calibre is required, and a background in accountancy, stockbroking or banking, or alternatively an MBA, would be appropriate, together with the maturity and diplomacy necessary to meet these challenging tasks. Preferred age late 20s.

The rewards include a salary around £10,000 p.a., non-contributory pension scheme and BUPA contributions.

Applicants, male or female, should write in complete confidence, giving full details of previous experience and current salary to J. W. Hills, Arthur Impey Morrish, Management Consultants, 40/43 Chancery Lane, London WC2A 1JJ, quoting reference C1487.

A.I.M.

ASSISTANT SECRETARY

The Secretary of a City consortium bank established in 1972 requires an Assistant to be fully involved as his deputy in the statutory and other responsibilities of Company Secretary/Administration Manager. In addition to the duties normally attributed to Company Secretary (except the accounting function), his position includes responsibility for advertising and publicity, insurance, premises, office equipment and general services.

The successful applicant will probably have had either some formal training for Company Secretarial work and be of sufficient maturity to assume without difficulty the administration role, or a background where general experience has led to a good knowledge of Company Secretarial work. Key requirements will be an aptitude for minute writing and the ability to adapt readily, so that the successful applicant can make a positive contribution to the existing team effort in Administration. A completed professional qualification is not as important as suitable experience.

Salary and benefits are attractive, including low-interest mortgage and incentive schemes.

Applications will be treated in strict confidence. Please write initially stating how the requirements are met and current remuneration to Mr. E. Cotter, Golley Slater & Partners Ltd., 42 Drury Lane, London WC2B 5RN.

Gilt Edged Manager

The fixed interest assets of this major insurance group have doubled since 1976 and further increase of assets under management is planned.

This strong growth situation calls for a manager experienced in the gilt edged market and investment techniques. A wide range of portfolios is under management, demanding a high level of contribution to both strategy and policy decisions. For the right person the potential exists for wider opportunities within the group as a whole.

Salary to £12,000, with excellent fringe benefits including possible mortgage assistance. City location.

Applicants, male or female, please send full details of qualifications and experience, quoting reference 1354 KS/FT to:—

Robert Lee International
24 BERKELEY SQUARE, LONDON W1X 6AR

INBUCON

Financial Controller
Director Designate c. £11,000

A long and well-established Company, based in Yorkshire and part of an International Group listed in the Fortune Top 500 Companies, requires a Financial Controller to join their management team. The Financial Controller reports directly to the Managing Director and is responsible for the entire financial function. The Company would wish the successful applicant to be on the Board within 2 years.

The Company manufactures industrial equipment and is extensively involved in engineering contracting, both nationally and internationally. Candidates should ideally have experience in these areas, be a fully qualified accountant either financial or from a cost and management discipline. The control of manufacturing and contracting costs is crucial to the Company and the information system is on computer. Salary as stated, bonus and Company car. Age range, probably 30/45.

The Company is successful, growing, profitable and based in sound industries. This is a career position.

Please write in complete confidence to: J. C. Newby,
INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Selection,
Yorkshire House, Tower Block, East Parade, Leeds LS1 5SF.
Tel: Leeds (0532) 35905

Schlesingers

Schlesingers manage over £120,000,000 of private, institutional and pension funds.

Investment Marketing

Schlesingers rapidly expanding Unit Trust Company is recruiting a Manager for Scotland to be based in their Edinburgh office.

We are seeking an intelligent person, preferably aged 28 to 45, to provide an investment service and develop business, primarily with Professional Advisers (accountants, solicitors, stockbrokers, insurance brokers). This will involve marketing a range of investment services and advising on their suitability for individual investors.

Applicants should have an understanding and experience of investment, experience or a flair for marketing and ideally, knowledge of financial planning. Career prospects are excellent and there will be a generous renumeration package depending on experience and ability, which will include profit sharing and a company car.

Please apply to J. D. Bourne, at
SCHLESINGER TRUST MANAGERS LIMITED,
Southside, 105 Victoria Street, London SW1E 6QS
Tel: 01-828 7722

EDP MANAGER

£25,000+ — **tax free** — **substantial benefits**

Saudi Arabia

This is a top level appointment in one of the largest Saudi Arabian companies. The EDP Manager will take full responsibility for the Company's systems and programming resources, and for the operation of the Group's computer centre. He will play the major role in achieving the objective of a fully integrated computerised accounting and management information system.

Applicants should be university graduates or qualified accountants. Substantial experience in EDP management and a record of successfully installed major accounting and inventory systems are essential. Applicants should have had experience of medium scale commercial IBM or Univac installations.

The post demands a mature, well-balanced individual able to communicate clearly and persuasively in writing and orally to all levels of management. He must be creative, a good organiser and possess the drive to fulfil tight targets. He must have the flexibility to adapt to life in Saudi Arabia. Fluency in English is essential. Knowledge of Arabic and the Middle East would be an added advantage.

A tax-free remuneration of £25,000 — is offered. There is excellent modern office accommodation. Additional benefits include free first-class furnished modern housing with recreational facilities and utilities, medical and accident assurance and a car allowance.

Please write or telephone for an application form to M. Braithwaite, quoting ref. 986/FT

Touche Ross & Co. Management Consultants
4 London Wall Buildings,
London, EC2M 5UJ.
Tel: 01-588 6644.

MCS / Robertson & Scott

Offices in London, Manchester, Glasgow, Edinburgh, Aberdeen, Darlington, Hertford. Offices & affiliates worldwide.
These posts are open to both men and women.
Recruitment Advertising Division

Opportunities in Financial and Technological Appraisal

Our client, a major financial organisation within Scotland, is seeking to make key appointments to a newly created team which is being set up with the important task of identifying and appraising industrial investment projects. These posts represent an exciting opportunity to make a major contribution in an innovative environment and at the very forefront of the latest industrial and technological trends.
Consider the following openings:

Project Analysts

(2 posts) up to around £9,300 per annum

The persons appointed will focus their attention initially on the electronics industry, but it is expected that the scope of investigation will subsequently widen. A high degree of initiative and analytical ability will be required and the ideal candidates will combine a strong engineering/scientific/technical background coupled with financial expertise. The background of the persons appointed may be complementary, in which case there would not be the same need for both candidates to exhibit the same balance between technical and financial qualifications or experience. A background in accountancy or engineering (particularly electrical and electronic) would clearly be appropriate with business management and other engineering or physical science exposure being of interest.

Programme Co-ordinator

up to around £8,000 per annum

The requirements for this post is for an administrator, preferably educated to degree standard, who can co-ordinate the team's development programme covering investment casework and liaison both within the employing organisation and externally. The person appointed must be able to demonstrate the ability to oversee a complex programme of financial and technical work and communicate effectively at a senior level with managers and professionals across a wide range of functions.

The conditions of employment are excellent and those which one would associate with a major organisation. Relocation expenses where appropriate, will be paid.
Please apply in writing quoting Reference R48104 to:

The Manager,
CONFIDENTIAL REPLY SERVICE,
MCS/Robertson & Scott,
MCS House, 23 Park Circus,
Glasgow G3 6AS.

All letters will be opened, acknowledged and forwarded to our client. Please list separately any companies to which your application should not be sent.

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Challenging appointments offering considerable scope in an expanding team

CJRA

BOND DEALERS

CITY **£10,000—£18,000**

MAJOR INTERNATIONAL INVESTMENTS HOUSE

We invite applications from candidates age 22-28 who will have had experience in Eurobond primary and secondary markets, ideally with a leading financial institution, to join a small but expanding team of dealers. Initial salaries will be negotiable in the range £10,000-£18,000 plus attractive fringe benefits. Applications in strict confidence, including a full curriculum vitae, under reference BD11403/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Prospects exist for wider responsibilities

CJA

COMPUTER SYSTEMS MANAGER—BANKING

CITY **£10,000—£14,000**

MEMBER OF THE ACCEPTING HOUSES COMMITTEE

Applications are invited from candidates, aged 30-45, who have acquired at least 5 years' user applications experience and are thoroughly familiar with the installation and/or update of computerised Banking Systems. The successful candidate will be totally responsible for the continued efficient operation, update of existing computer installation and systems and the further computerisation of the Bank's subsidiaries. A new installation is envisaged within the next 2 years. Banking experience and a deep interest in computerised banking systems, plus the ability to relate effectively with personnel at all levels is essential. Initial salary negotiable £10,000-£14,000, contributory pension, life assurance, family BUPA, subsidised mortgage and assistance with removal expenses, where necessary. Applications in strict confidence, under reference CSMB 3929/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

ACCOUNTANT
FREE TRAVEL

Large firm of City Solicitors requires understudy for Chief Accountant who will be retiring in the future.
The successful candidate will preferably be qualified and have had previous experience with solicitors accounts. Knowledge of computerised systems an advantage. Excellent terms and conditions of employment and a planned progressive future.

LINTON APPOINTMENTS
01-242 0931

Accountants

around £8000

Develop your Career

at the same time as our accounting policies, systems and control procedures.

The Radiochemical Centre, with headquarters in Amersham, Bucks, is a world leader in its field manufacturing a wide range of products for scientific, industrial and medical applications. We are a highly profitable, rapidly expanding organisation—sales over the past year increased by 20+% in real terms to a current turnover in excess of £33m.+, with over 80% being exported.

With a major expansion programme under way in both the UK and overseas markets, *we can offer outstanding career opportunities to qualified accountants ACA, ACCA,* ACMA. The successful candidates will join a small professional team and gain excellent, broad-based industrial experience working on the development of our accounting policies, systems and controls to meet the challenges created by this expansion.

Starting salary will be around £8000 in a range rising to £9400. First class benefits include relocation assistance, where appropriate, to this pleasant, rural area of *Buckinghamshire.*

For an application form, please telephone Stewart Allinson on Little Chalfont (024 04) 4444, ext. 3908 or write to him, with concise career details, at:

The Radiochemical Centre
Amersham Bucks

Chief Accountant
c. £10,000 p.a.
Edinburgh

A confident and optimistic outlook allied to a sound Management practice has made us one of the largest and most profitable companies in the field of instalment credit selling a wide variety of credit facilities to industry throughout the U.K.

Plans to restructure and strengthen the accountancy function here in Head Office have created the need to recruit a Chief Accountant.

The person selected is unlikely to be under 35 years of age and should have a background of accountancy experience obtained in finance or banking. The job entails maintaining the books and accounts of the companies in the group including presentation of final group accounts for audit, and also providing management information for the Boards of these companies. He or she will be required to be familiar with current accountancy changes, taxation and computer procedures, and will have direct control of a staff of 28, a number of whom are professionally qualified.

Above all other qualities, the person appointed must exhibit those of leadership and management and the power to self-generate.

Lloyds & Scottish Finance Ltd offers considerable career potential plus benefits associated with a large company. These include profit-sharing, mortgage subsidy and assistance in relocation costs, contributory pension scheme, life assurance cover and a large town allowance. The appointment also carries a company car.

This position is open to both men and women.

Please write fully to: Mr. J M Amour, Financial Director,
Lloyds & Scottish Finance Ltd., Finance House, Orchard Brae,
Edinburgh EH4 1PF.

LLOYDS & SCOTTISH FINANCE LTD.

Bank Accountant

City
to £12,000
+ mortgage assistance

As part of its continued international development plans, and in anticipation of growing trade with this country, an overseas bank, which *is the largest in its own country, is opening a full* branch here.

An accountant is required to be responsible to the general manager for the day-to-day running of the function, the preparation of accounting and management information and official returns and the development of systems and procedures.

Suitable candidates, male or female, will probably be in their 30's and must have sound experience of accounting for international banking operations and be thoroughly familiar with Bank of England requirements.

Salary is negotiable and there is a wide range of fringe benefits. *The job itself promises to be* challenging.

For an application form write in confidence *showing how you meet the specification* and quoting reference 3972/L, to M. J. H. Coney, Peat, Marwick, Mitchell and Co., Executive Selection Division

165 Queen Victoria Street,
Blackfriars.
London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

PORTFOLIO MANAGEMENT
BANKING

Age 28-40 **£ negotiable**

A well-known International Merchant Bank wishes to appoint a person who will be responsible for managing clients' portfolios.
Sound judgment of investment situations is the first requirement, with a special emhpasis on fixed interst markets and Eurobonds. It is anticipated that the successful Candidate will also be familiar with the London and the international investment markets.
In terms of personal qualities, the appointee should be able to meet and assess people and also be able to sustain complete credibility in this specialised field.
A knowledge of French and German would be helpful. A fully competitive salary will be negotiated, and the usual range of benefits apply.

Written applications should be addressed to
Rod Jordan, A.I.B. (General Manager).

BANKING PERSONNEL
41/42 London Wall London EC2 Telephone: 01-588-0781
(RECRUITMENT CONSULTANTS)

Manufacturing

£15,000 - £25,000 p.a.

- We are currently advising a number of UK clients on high level manufacturing appointments and would welcome informal contacts from senior manufacturing executives with experience of large scale, mid/high volume metal-based operations.
- Write or telephone, in confidence, to Mr. C. Deverell or Mr. G. Sarson:

Clive Deverell Associates Limited
29 Buckingham Gate, London SW1.
01-828 1114

Financial Director

North Yorkshire *c.£20,000 plus car*

Our client, a progressive medium sized company involved in the manufacture of industrial and agricultural steel-framed buildings, wishes to recruit a Financial Director.

The Financial Director will be responsible to the Managing Director for administering and developing the financial and management accounting functions, the computer facilities and systems, and for the preparation and interpretation of management control information.

Candidates, who must be Chartered Accountants aged between 35 and 42, should have commercial experience of modern management accounting techniques, data processing, the ability to operate effective financial and management information procedures and also be capable of making a positive contribution to the management of the business. Accounting experience in the structural steel industry will be an advantage.

Salary negotiable around £18,000 and additionally a bonus scheme is in operation. A company car is provided and re-location expenses will be reimbursed where appropriate.

Interested candidates are invited to write for an application form to Dennis Tyson, Executive Selection Division, Sun Alliance House, Newcastle-upon-Tyne, NE99 1PL, quoting reference MCS/20.

Price Waterhouse Associates

COMMODITY TRADER

Expanding West German firm of Commodity Brokers, specialising in private clients, seeks a Commodity Trader with several years' experience in this field.
The job will primarily entail the placing of business through London and New York and as such a knowledge of German is not necessary. Attractive salary and benefits to the right candidate.
Applications in writing with curriculum vitae to:

Box F.1122, Financial Times,
10, Cannon Street, EC4P 4BY.

CREDIT ANALYST

Irving Trust Company, a major American bank, is seeking a credit analyst to support the lending activities of its London Branch. After an initial period in the Credit Department preparing analyses for corporate loan approvals and reviews, the successful candidate will be assigned to a lending area where he/she will obtain experience in the management of corporate client relationships and the marketing of the bank's services.
Candidates will be in their mid-20s and will have a minimum of one to two years' solid training and experience in corporate credit analysis, preferably with an American bank.
Salary is negotiable depending on qualifications and experience and includes a comprehensive range of fringe benefits.
Please write, enclosing full career details, and quoting Ref. CA, to:

Irving Trust Company
Miss Andrea J. Williams
Personnel Officer
Irving Trust Company, 36-38 Cornhill, London, EC3

GROUP ACCOUNTANT DIRECTOR DESIGNATE

£12-15,000 + car — **Lloyd's Brokers**

A medium-sized group of insurance brokers, with strong UK and overseas business, requires a chartered accountant to exercise financial control of the group. Familiarity with Lloyd's accounting requirements would be useful but is not essential, as day to day accounting is managed by a chief accountant.

The group is part of a public company in the financial sector with a reputation for tight financial control, using sophisticated systems. The broking group contains several overseas companies and candidates must be willing to travel. It is going through a period of dynamic growth and he or she will be involved in the development of the group, especially through acquisition. Personal qualities are important to facilitate communication at board level.

Career plan PERSONNEL CONSULTANTS

Please apply to: Sir Timothy Hoare
Career Plan Limited
Chichester House
Chichester Rents
London WC2A 1EG
Tel: 01-242 5775

Director of Central Finance Accounting

Central London £12,400–£15,000

The Post Office is seeking a Director of Central Finance Accounting for its Central Headquarters in London. The post is open to both men and women.

THE JOB involves:

* briefing and reporting to the Board Member for Finance and Corporate Planning on the formulation and co-ordination of Post Office policy on financial and management accounting matters;
* taking overall responsibility for the preparation of financial information to the Post Office Board;
* ensuring that the format and contents of the published Post Office accounts comply with the best commercial standards, and maintain close contact with the Corporation's external auditors;
* co-ordinating the Corporation's accounting development activities.

The Post Office has a turnover of more than £4,500 million.

THE SUCCESSFUL CANDIDATE, who should already be filling a senior post in financial management, will be a qualified accountant with extensive relevant experience, a thorough understanding of modern accounting standards and techniques, communication skills of a high order, both oral and written, and a proven ability to lead a professional team.

It is unlikely that anyone not already in their mid-thirties will have had the appropriate experience.

For this London-based post the initial salary will be in the range quoted. Other conditions are of a high standard.

Further information about the post may be obtained from Charles Beauchamp, Post Office Central HQ, on 01-631 2419.

Letters of application giving background and experience should be addressed to Mrs M.J. Underwood, Post Office Central Headquarters, Room 1001, 23 Howland Street, London W1P 6HQ.

The closing date for applications is three weeks from the publication of this advertisement.

The Post Office

Young Graduate Business Analysis

Bucks/Herts Border — to £7500

Our client is a very successful international group, manufacturing high technology business equipment. They are constantly updating and modifying their products at various locations throughout the world and due to promotion, they now require a young numerate graduate to join a small, influential department planning and controlling these developments.

You will form part of a dynamic and entrepreneurial team, providing information and analysis on operations, short/long range planning and manufacturing requirements for senior management.

Ideally, you should be a graduate aged 24/28 with 2-3 years related analytical experience in a multinational manufacturing environment: you will also have experience of computer-based modelling techniques. Good communicative skills are essential.

High ambitions, adaptability and hard work, will be well rewarded from the groups policy of rapid internal promotion. An excellent relocation package is available if necessary. Please telephone or write quoting ref. RG.2453.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761.

N. M. Rothschild & Sons Limited

Loan Executive

We have a vacancy for an ambitious Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of corporate client relationships.

The successful applicant will be aged between 24-30, probably with an appropriate professional qualification, and have a thorough grounding in this field. This must include experience of dealing with major clients, together with a working knowledge of the sterling and eurocurrency markets.

An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.

Please write with full details of career to date to:

P. E. Jones,
N M Rothschild & Sons Limited,
New Court, St. Swithin's Lane,
LONDON EC4P 4DU.

Investment Analyst

The Investments Department of ICI, which manages the assets of the pension funds of ICI's 95,000 UK employees, has a vacancy for an Investment Analyst to work in its small team and to be involved in the analysis of UK equities and in the supervision of one or more small funds.

Applicants should be in their 20's, possess a degree and/or professional qualification in the general field of finance or economics and have had experience in the investment world.

Please apply in writing, or telephone for an application form, to:

Mrs D. K. Huddart, Personnel Officer
ICI, IC House, Millbank,
London SW1P 3JF.
Tel: 01-834 4444.

ICI

ACCOUNTANT

BERMUDA

Ref. 41457

Major Insurance Group requires a Chartered Accountant for their Bermuda office. Excellent conditions of service. Age group 25 to 35. Salary $19,500 per annum.

Please telephone in confidence:

Trevor M. James
I.P.S. GROUP
(Employment Consultants)
01-481 8111

QS BANKING
RECRUITMENT CONSULTANTS

FX and Treasury/Cash Management Advisor — to £10,000
(For Marketing UK, European and U.S. Multinationals)

Manager—Trade Financing — to £9,000

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Also International and Merchant Bank vacancies at all levels.

Please contact Mike Pope or Sheila Anketell-Jones
236 0731
30-31, Queen Street, EC4

Accountants

Oil Industry London

Marathon International Petroleum is engaged world-wide in the exploration and production of oil and gas. Our activities in Africa, Asia and the Middle East are serviced from London, but it is our rapidly expanding activities in the North Sea which have created three exceptional opportunities for Financial and Management Accountants.

Senior Financial Accountant

Supported by two Financial Accountants, you will take full responsibility for the financial reporting on North Sea projects.

Liaising with line management, the successful candidate will supervise all types of data input in the preparation of dual currency reports, government returns, and cash calls to ensure the continued smooth running of operations.

Candidates must have a professional qualification with some post-qualification experience in the oil industry.

Financial Accountant

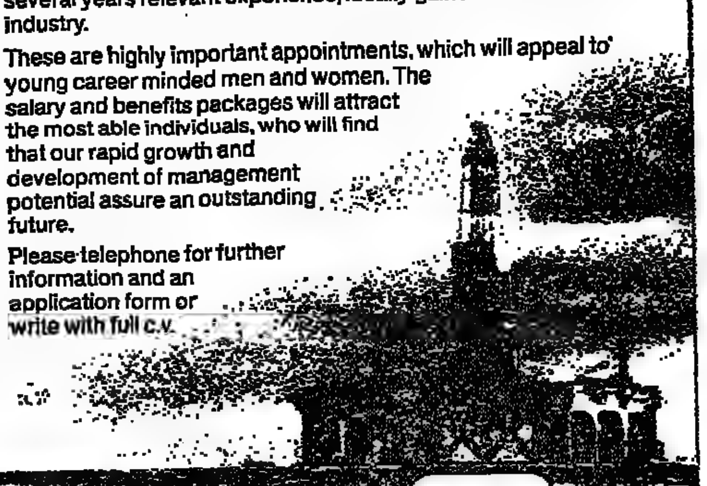
Working closely with the Senior Financial Accountant, you will undertake a wide variety of duties in the preparation of reports. This is a superb chance for a part-qualified accountant to build on 2/3 years experience in a similar position in the oil industry.

Management Accountant

This new position results from the Company's expansion which has increased the work load of our management accounting function. The person appointed will prepare annual and long term budgets and forecasts, liaising between project groups, partners and our head office. A professional qualification (probably ACMA) is a prerequisite combined with several years relevant experience, ideally gained in the oil industry.

These are highly important appointments, which will appeal to young career minded men and women. The salary and benefits packages will attract the most able individuals, who will find that our rapid growth and development of management potential assure an outstanding future.

Please telephone for further information and an application form or write with full c.v.



Paul Wood,
Marathon International Petroleum (G.B.) Ltd./
Pan Ocean Oil Corporation,
35/38 Portman Square, London W1H 0BN.
Tel: 01-486 7211.

MARATHON

Financial Director

Maidenhead

Elfay Enfield Tubes Limited is a leading UK manufacturer of non-ferrous tubes with a turnover in excess of £6m, and is a wholly owned subsidiary company of the RTZ Industries Group.

The Company wishes to appoint a high calibre Financial Director, who will advise the Board on financial strategy and ensure the planned profitability and progress of the company. He/She will be responsible for the effective operation of financial and costing systems and will also be involved with budget preparation on a five year basis, capital expenditure reporting and computerisation of systems.

Candidates should be aged 35 to 45, be qualified accountants and have substantial industrial statutory accounting, costing and financial systems experience.

This is a senior appointment and remuneration will be very attractive and will include profit share. Benefits include company car, private medical cover and membership of the RTZ pension fund (with free life assurance).

a member of the RTZ Group

Please apply, giving details of qualifications and experience to date, to A. A. Wright, Personnel Manager, Pillar Aluminium Limited, Tewkesbury Road, Cheltenham, Glos GL51 9PP.

Financial Director

for a company which operates with full profit responsibility and commercial autonomy as a division of a leading public company. Turnover approaches £10m in technical services and contracting, the majority overseas.

- RESPONSIBILITY is for all aspects of the company's financing and accounting activities, and for legal, insurance, and office management sections, with a total staff of about ten.
- THE REQUIREMENT is for competence in management and financial accounting, and the intellectual and personal thrust to get on terms with young and able colleagues. An accounting qualification is essential.
- AGE: not less than 30. Salary negotiable into five figures, with a car and other benefits. Location: Berks.

Write in complete confidence to A. Longland as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

INVESTMENT MANAGEMENT

PORTFOLIO MANAGER

An opportunity arises in this company for an experienced private client portfolio manager. The post will involve taking over the management of existing clients' investment portfolios, these clients include senior executives of companies who are also corporate clients of the parent organisation. A broad general knowledge is needed for such work and the appropriate personal qualities necessary for representing the company at a relatively high level. Funds under management at present total about £300 million.

Salary will be competitive and there are in addition generous profit-sharing arrangements. A non-contributory pension scheme provides a first-class package of benefits including substantial life cover and widow's pension. The company supports a subsidised lunch restaurant.

Applications with full curriculum vitae to:
Box A.6828, Financial Times, 10 Cannon Street, EC4P 4BY.

Eurobond Sales Executive

DILLON, READ OVERSEAS CORPORATION is expanding its secondary Euro-bond trading, particularly in floating rate notes, and needs an experienced sales executive to develop and maintain relationships with institutional investment clients located around the world.

The person we are seeking should have a proven record selling fixed income securities and while familiarity with Euro-markets is desirable, it is not essential. It is more important that the person be a self-starter able to build a business based on quality service.

The salary for this position is negotiable and it is our policy to pay meaningful year-end bonuses and to offer good fringe benefits.

Applications, with an outline of your experience, should be submitted to:

Herbert Oakes, Vice President,
Dillon, Read Overseas Corporation,
10 Chesterfield Street, London W.1.

BANKING APPOINTMENTS

1. Assistant Manager Credit Administration
2. Assistant Manager Accounting and Administration

A leading International Bank with a substantial presence in the City wishes to recruit for the above positions. The successful candidates are likely to be experienced bankers in the age range 28-35 with relevant working experience. The posts are demanding and offer attractive salaries and benefits.

Please write in the first instance, enclosing a full personal history, to Box A.6827, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL ANALYST - STOCKBROKERS

HESELTINE MOSS & CO.

has a vacancy for a General Analyst in their London or Reading offices. The successful applicant will be aged 23/30 with at least three years' investment experience and will be required (1) to supply the firm's institutional and private client departments with original material (2) to produce regular up-dates on companies with which the firm has existing connections.

In view of the current postal delays, applcations should be delivered with a curriculum vitae to:

Administrative Partner, Ref. R/I
HESELTINE MOSS & CO.,
Lawrence House, 3/4 Trump Street, London, E.C.2, or
Telephone: Reading 595511 London 606 1401

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 3rd July, 1979

Job Title	Salary	Location	Advertiser
Auditors	£8,000+Car	City	Rutter-Allnut
Investment Accounting	Up to £7,500	City	Touche Ross & Co.
Financial Controller	£7,000+Co. Car	Bedfordshire	Schlegal (UK) Engineering Ltd.
Young Qualified Accountant	£8,000	Romford, Essex	H. Webb Construction Ltd.
Accountant	£20,000-£25,000	Bahamas	IPS Group
Senior Accountants	£10,000+	Saudi Arabia	IPS Group
Accountant	$19,500	Bermuda	IPS Group
Executive Appointments	—	—	Percy Coutts & Co.
Accountant—Audit Department	£6,876-£8,226	Based Cheltenham	Eagle Star Insurance Group
Chief Accountant	£7,000	Milton Keynes	Jurid UK Ltd.
Assistant Financial Controller	£6,500	Berkshire	HFC Trust Ltd.
Young Qualified Accountant	to £8,000	Beds/Herts Borders	Thornton Baker
Recently Qualified Accountants	£7,750+Car	Based in Berkshire	Allen Cameron Associates
Group Financial Accountant	£7,500+Car & Benefits	Worcester Park, Surrey	Reginald Welsh & Partners
Development Executive	£8,000+Car	WC2	Reed Executive

For further details see the FT of that date or telephone the Financial Times on 01-248 8000 Ext. 7177 or 01-248 5597

FINANCIAL CONTROLLER

for an International Group supplying the Marine Industry

This exciting and senior appointment demands a qualified Accountant aged 35-40 with considerable commercial experience preferably in an International environment.

The successful candidate must be able to work independently, be a constructive thinker and manager. The selected person will report directly to the Chairman whenever necessary. Considerable overseas travel is involved from a London base.

The remuneration package is generous and includes the normal perquisities associated with an International Company.

London — Salary circa £18,000

Applications quoting BG/T should reach me as soon as possible as our client wishes to make an early appointment.

Brian Goring
INTERNATIONAL APPOINTMENTS (LONDON) LTD
(Executive Recruitment Consultants)
Greener House, 66/68 Haymarket, London, SW1.
Telephone: 01-839 1602/4
Cables: Interappt, London SW1

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A newly created vacancy has now arisen for an ambitious qualified accountant who will act as a management adviser for the up-dating and maintaining of company policy for overseas auditing matters.
The position offers a high degree of independence and excellent training for line management.
Ideally a graduate Accountant and aged between 27–35, your experience and professionalism will speak for itself. You should possess experience from an international environment as well as being fluent in English, French and Spanish as extensive overseas travel will be necessary.
Benefits are in line with those normally associated with a major Company and include Company car, 4 weeks' holiday, an attractive pension scheme and life cover and a private medical plan. Career prospects are excellent within the rapidly expanding international Coral Group.
Please apply to Jim McAlister, Head of Group Internal Audit.
Coral Leisure Group Ltd., Berkeley Square House, Mayfair, London WIX 5PE.
Tel: 01-629 8772.

CORAL Leisure Group

DIRECTOR OF BANKING
PRIVATE CLEARING BANK

Hertfordshire Age 35–45 Salary Negotiable + profit share

The Opportunity This new position offers unusual scope for development and the exercise of personal responsibility.

Our Client A rapidly developing private bank with a small closely-knit team lays a strong emphasis on integrity, commitment and excellent administration.

The Person The successful candidate is probably at Regional Manager level with a recognised clearing bank and must be A.I.B.

Please write or telephone in the strictest confidence to Ian Willis.

Right Match International Limited
5 St James's Place, London SW1A 1NP
Telephone: 01-491 4737 telex: 97160
24hr telephone answering service

Manager Financial Analysis

The World's largest fluid power manufacturer has a vacancy for this newly created position at its European Headquarters in Cobham. Rapid growth has resulted in a requirement for further development in our management reporting and financial analysis capabilities.

The successful candidate will have demonstrated his or her ability to effectively analyse complex problems in a large organisation. Strong communication skills are also required.

Candidates should be qualified accountants with significant exposure to budgeting, project evaluation and analysing financial results. Experience as a consultant and capability in French or German would be helpful.

Reporting to the Controller for Aerospace and Pneumatics Operations this job offers excellent opportunity for advancement.

Salary will be commensurate with experience. Holidays and other benefits are competitive.

Please apply in confidence to: D. G. Turley, Personnel Manager, Sperry Vickers European Group. 78 Portsmouth Road, Cobham, Surrey.

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SPERRY VICKERS IS A DIVISION OF SPERRY RAND LIMITED

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£12,000 + Car + Bonus

We need a hard-working effective Sales or General Manager aged 35-45 to head a department of 20 to recruit Technical, Industrial, Commercial, Catering and Medical staff for the Middle East, Europe and Africa.

You will negotiate with clients and meet their exacting personnel requirements at minimum cost and maximum speed. He or she must seize new business opportunities as they arise.

Please send details in confidence to
John Trafford, Heidrick & Struggles,
25 Old Burlington Street, London, W.1.

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£15,000 min.

You are a merchant banker and you enjoy a successful track record of generating profit from corporate finance business.
You have probably gained specialist experience, such as in Project Finance Management, with a major international bank.
You are in your early thirties and have already achieved a self-generated professional banking expertise in a particular business sector or geographical area.
Your present position does not allow you to pursue potential transactions, or to complete business you have initiated.
You now wish to join a small, flexible, highly profitable team and complement the bank's rapid expansion. This appointment is City-based and will involve overseas travel.
The ability to identify, secure and conclude business by yourself is most important. The level of salary will generously reflect this, and will be reached by negotiation.

Please contact, in confidence:
Jack S. Pine, M.A. Consultant. Ref: 2804.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

International Trader—Senior Director Designate
Food Product Raw Materials — Based Kent

Our client, a well established and respected Produce importing company, supplies U.K. food manufacturers with a diverse range of *raw materials* and *ingredients of world* wide origin.
They are wishing to appoint an International Trader/Senior Director Designate who is likely to be in his thirties/forties and have a successful track record inb uying and/or selling raw materials to the food industry. It is essential that applicants are aware of EEC trading requirements and haev a working knowledge of food product transportation procedures.
It is intended that you will eventually be responsible for al laspects of Produce trading embracing procurement, liaison with suppliers, *selling to customers* and *also new* business development.
This is a unique opportunity for an ambitious, capable individual to develop and assume full overall responsibility upon the retirement of the existing Managing Director.
The salary will be commensurate with the seniority of this appointment and re-location expenses will be considered.
A non-contributory pension scheme and a company car are two fringe benefits within an excellent total package.

Write in strict confidence, quoting ref. JES/T, giving career details and past experience or telephone John Sweetland on 04862 67686 any evening between 7-9 p.m.

M. L. Associates
Recruitment Consultants,
18 York Road,
Maidenhead,
Berkshire.

ML associates
Recruitment Consultants, 18 York Road
Maidenhead, Berks. Tel: 35278/21217

Manager Taxation
Middx. to £9,000 plus car

As Tax Manager of this rapidly expanding, international group, you will have responsibility for handling all taxation matters, both corporate and personal, relating to UK and overseas operations. Your involvement will cover special assignments, tax planning and advice, as well as standard activities.

A progressive salary is matched by excellent fringe benefits, and your career development could well extend beyond the taxation field. You will be a qualified accountant with sound corporate tax experience, and the preferred age range is 28-35 years.

For more information contact The Senior Recruitment Officer, IAL, Aeradio House, Hayes Road, Southall, Middlesex.
Tel: 01-574 5134 quoting ref 220/K.

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Leading Firm of
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Office Manager designate for fast expanding young company. Accountancy/book-keeping abilities to management accounts level and administrative experience essential. Excellent prospects and conditions. *Salary £5,000 pa negotiable.*
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Applicants should be in their early twenties with first-hand knowledge of London Stock Exchange procedures. The appointment will carry a competitive remuneration and there is a non-contributory pension and life assurance scheme.

Please write giving age and details of previous experience to BoxA.6829, Financial Times, 10, Cannon Street, EC4P 4BY.

Sclicitor for Dubai

We seek a bright enthusiastic young Solicitor to join growing Middle East practice. Applicants should have not less than 18 months' post-admittance experience in general commercial law. Some banking (international/domestic) experience an asset.

A generous salary will be offered together with accommodation, outgoings, car, good annual leave terms, club membership, insurances, pension scheme, initial clothing allowances and annual passages. A challenging position to suit an energetic young man anxious to acquire early diverse experience and responsibility.

Please contact Jo Cooper for an application form at Denton Hall & Burgin on 01-424 1212.

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YOUNG, QUALIFIED DEALERS
MALE OR FEMALE

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We require
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We offer
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Please send your application including your curriculum vitae to the attention of the management of HYPOBANK INTERNATIONAL S.A., 37, Bd du Prince Henri, Luxembourg, Tel.: 00352/4775-1.

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Age 28-35 — c. £9,000

Leading International Bank with substantial London presence seeks a mature conscientious person with a comprehensive credit administration background to join existing team of four dealing mainly in syndicated loans and reporting direct to the Managing Director. Duties will embrace supervising and participating in the admin. of the Bank's Loan Portfolio, including consortium loans. The successful Candidate will be familiar with liability admin., and possess a sound knowledge of the Euro-currency and F.X. markets and associated reporting/operating procedures. The Bank offers outstanding prospects for personal development, with a comprehensive benefits package which includes assisted mortgage facilities, L.V.'s, free life assurance, etc.

Please Contact in strict confidence, Mark Stevens

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(RECRUITMENT CONSULTANTS)

FINANCIAL CONTROLLER

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Our clients are a rapidly expanding American-owned group of companies in the electronics field. Having just acquired a new subsidiary in Poole, Dorset, they are seeking a highly motivated Financial Controller/Company Secretary to join the small executive management team.
The position will involve complete responsibility for the accounting department including EDP and personnel function and will cover five-year strategic planning, budgetary control, cash management and monitoring of management objectives against plans.
Applicants should be qualified accountants aged 30/35, people orientated, with good management ability. If you are seeking challenge and an exciting future in a growth industry offering excellent salary and benefits package plus relocation expenses if required, please contact E. S. Moore, Esq.

Reginald Welsh & Partners Limited.
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123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387.

Corporate Lending Officer

Irving Trust Company, a major American bank, is increasing the business development capabilities of its London Branch and is seeking an experienced banker to join one of its United Kingdom corporate marketing groups. The successful candidate will be responsible for identifying potential customers, marketing the bank's worldwide services to these customers, and managing the resultant client relationships. Further opportunities for career advancement in Irving Trust Company's expanding International Corporate Banking Division are excellent.

Applications are requested from individuals possessing a proven record of success in corporate business development. Their employment background should include a minimum of two years' training and experience in corporate credit analysis, preferably with an American bank, and a thorough knowledge of the legal and administrative banking practices of the United Kingdom. Candidates will probably be in their late 20s to early 30s and hold a graduate degree.

Salary is negotiable depending on qualifications and experience and will be supplemented by a comprehensive range of fringe benefits.

Irving Trust Company
Please write, enclosing full career details to:
J. M. Stewart
Vice-President and General Manager
Irving Trust Company, 36-38 Cornhill, London, EC3

Chief Executive
East Anglia
c. £14,000 + car

For a sales and distribution company in the leisure industry, with a seven figure turnover.

Reporting to the chairman of this private group, the chief executive will enjoy full responsibility for conducting the business of the subsidiary.

Candidates, preferably 35-45, must be able to prove their record of a successful marketing oriented management career, which will include good financial and organisational experience.

The location is attractive, and the benefit package an appropriate one.

For an application form, write in confidence showing how you meet the specification and quoting reference 2275/ , to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

A memo to school-leavers

ARE YOU KEEN TO BE A JOURNALIST?

Are you interested in learning the craft of news journalism? Trainees must be ready to learn how to interview people about community affairs and to cover courts, councils and public events of all kinds, developing also a reporter's news sense.

For the NCTJ Newspaper Journalism one year full-time course starting this September, apply without delay to the National Council for the Training of Journalists, 1979, High Street, Epping, Essex CM16 4BG, if you will be under 20 on September 1st and may have two 'A' levels by then. The course should be followed by 2½ years indenture to a provincial newspaper for job-experience completion of training.

هكذا من الأصل

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READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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If you are a shareholder in an established and growing company and you, or your company require between £50,000 and £5,000,000 for any purpose, ring David Wills, Charterhouse Development. Investing in medium sized companies as minority shareholders has been our exclusive business for over 40 years. We are prepared to invest in or lend to unquoted companies currently making pre-tax profits of more than £100,000 per annum.

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WISHES TO ACQUIRE OR MERGE
with medium-sized Marketing Company selling Plastics Components to Trade and Retail in UK and Exports

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(a) Houseware Products
(b) Horticultural/Garden Equipment
(c) Bathroom Fitments and Accessories

It is essential that the product range of the marketing company in any of the alternative sectors includes a high content of plastics injection moulded and/or blow moulded components. The intention of bringing about such a merger is to create a substantial vertically integrated business with increased total strength to develop and extend the product range through R & D and to increase its marketing strength and overall profitability.

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Chairman
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204 Great Portland Street, London W1 01-388 7631

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Please reply in English or write:
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Bitterne Park, Southampton

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Prominent Furniture retailer invites applications from retailers in other fields for concessions in a new 20,000 sq ft development on the First Floor of the Butts Centre, Reading, *the city's busiest and most established Shopping Centre.*
Concessions could include Carpets, Lighting, Electricals, Curtains, Sports Goods, Clothing and Fashions, Toys and many others.
Profit-conscious businessmen who would like to learn more of the unique opportunities offered should meet Mr. M. Nesbitt in person at either:
Fame Stores at Cato between 10.00 am and 5.30 pm or at
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9.00 am-5.00 pm at Fame Stores at Cato on July 13th
or write to him immediately at:
F.T. FAME STORES, THE PRECINCT, PERRY BARR, BIRMINGHAM

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Investment principally required for aggressive Press and TV advertising campaign and other promotional efforts.

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Use this for family vacations plus rental income, shows a 10% plus annual return not including capital appreciation. Other business investments in USA plus beautiful new Homes: 3 beds., 2 bath, fully fitted kitchens, carpeted, air conditioned, swimming pool. From £30,000. Weekly inspection flights. *Details from:*
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Write or Phone:
Mr. Gordon Moran (Ref: S.L.011)
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18 Prudential Buildings, St. Andrews St., Cambridge - Tel: Cambridge 65673

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LOMBARD

How to count reformed money

BY ANTHONY HARRIS

MONETARY reform is at last in the muggy air we breathe, rather than in the academic blue yonder. The faintly but deliberately permissive tone of the June issue of the Bank of England Bulletin has seen to that. Greenwells claim general support for its proposals to *shift the emphasis of control to* the monetary base of the banking system. The London Young Conservatives, who seem to have been deep frozen in the reign of Victoria, go on about *Fiduciary Issue. Even Lloyd's* Bank proposes novelties.

Now this column is not the place to go into the heavy technicalities involved. Indeed, it is much too soon to go into the technicalities: all that is apparent so far is a rumble of movement within the fortifications of Threadneedle Street. Something, in the old phrase, is going on. It is not too early, though, to raise some fundamental questions about just what it is that is to be controlled.

Base system

Let us assume, for the sake of argument, that we do shift on to some sort of monetary base system. We need not be too precise about the nature of the base. It includes cash (but possibly not till money), and deposits at the Bank of England: it does not include Treasury Bills.

This still-to-be-defined collection, known to Friedmanites as high-powered money, to the Germans as central bank money, and in past British debates as the *monetary base*, is now known in the reform debate as MO. (It is even narrower than M1, you see.)

Now the point about controlling MO is that if the commer*cial banks work to fixed reserve* ratios, and always trade within a hair's breadth of them, it is a very powerful force restricting their lending powers. Indeed, its operation would be so powerful that the banks would soon stop trading up to their limits, and so powerful that the Bank of England shrinks from any undiluted version of it.

It follows, then, that the relation between MO and the kind of money held by ordinary people—the thing which it is desired to control—will not be stable: and it follows again that monetary policy will have to continue to aim at some other measure of money. This proposition is agreed by everyone concerned (except the Young Conservatives). But what measure should that be?

Would we *simply* be controlling Sterling M3, as now, but funding through Treasury Bills as well as gilts? It is entirely possible but I hope not. Sterling M3 has served well the purpose *for which* it was designed—namely, to drive home the need to control and preferably to cut Government spending. But a money measure is not just an anti-Ministerial scarecrow; it is *meant to say* something about the economy.

First, it is too insular. British money measures all suffer this defect: they look only at *domestic* holdings of money. *But nowadays, when every wise* multinational treasurer likes to have a sterling nest-egg, the British banks do not have to rely on domestic deposits to finance their lending.

Secondly, M3 is ragged at the edges. For instance, it includes non-bank holdings of quite long certificates of deposit, but not of shorter Treasury Bills (which, from the point of view *of the holder, are simply* Bank of England CDs). If Treasury Bills are not to be base money, then logically commercial CDs should not be non-bank money either.

Message

In other ways, though, it is too narrow. Much finance for the recent pre-Budget spending spree was financed by drawing down building society deposits; a good broad liquidity measure ought to include those (less building society deposits with banks, of course), and no doubt savings banks too. We are beginning to look at a whole series of money measures—M1; M3 including foreign deposits but excluding all but the shortest CDs (a kind of U.S.-style *M2*); a broader M including some non-bank deposit takers; and perhaps a really broad measure including near-*money assets—not only* CDs, but Treasury Bills, local authority deposits, and even very short gilts. All these numbers have a message for policy.

Just what that meaning might be is too broad a question for this column; perhaps we should even have a number of credit series too (and very alarming they would look just now). The point remains: monetary reform ought to mean reformed measures.

The law and the egg flip

BUSINESS AND THE COURTS

BY JUSTINIAN

IF A trader represents his own goods as those of somebody else he renders himself liable in its classic form to an action for "passing off." But what if the trader does *not pretend that his* product is somebody else's, but by using for his product a well-understood name or other device cashes in on a rival's goodwill and diverts customers *to his product? Is this unfair,* not to say dishonest, trading actionable in the courts?

Until 1960 the answer would probably have been in the negative. But then in the famous *champagne case, followed at the* end of the decade in the cases involving sherry and scotch whisky, the judges began extending the bounds of the inaptly-named action of "passing-off." Recently, *in a* case involving the alcoholic drink "Advocaat," the House of Lords has set the seal of approval to the extended concept of the traditional action of "passing-off."

The "Advocaat" case pinpoints the trend by the courts towards extending legal protection to those who business is affected by their rivals' unfair trading. Warnink is a Dutch manufacturer of "Advocaat," which has as its principal ingredients eggs and spirits without any admixture of wine. A small number of the Dutch manufacturers of "Advocaat" marketed their product in England, but Warnink had the lion's share of the market, some 75 per cent. An advertising campaign in recent years has extensively popularised the drink in this country. The trial judge found that a substantial reputation and goodwill over *half a century* had been acquired by the name "Advocaat" as that of a drink with recognisable qualities of appearance, taste, strength and satisfaction. Those qualities had *been earned for the spirit-based* Dutch "Advocaat" imported into the UK over a long period and in large quantities.

Contemporaneously, there has been another similar alcoholic drink on the English market, known to the public and sold uder the name of Egg Flip; its principal ingredients are eggs and a fortified wine. Its alchoholic strength does not differ greatly from that of "Advocaat," but by one of the vagaries of our excise law that may not survive the harmonisation of economic laws of the EEC, it is classified as a wine and not as a spirit; as such it attracts excise duty in England at a rate of 50p a bottle less than that charged on "Advocaat."

The defendants to the passing-off action brought by Warnink and associates were an English company (Keeling). In association with a partnership firm Keeling manufactured an egg flip, and prior to 1974 sold it under that description on the English market. In that year a plan to profit from the popularity of "Advocaat" was conceived. A drink was manufactured from a mixture of dried eggs and Cyprus sherry. It was marketed as "Keeling's Old English Advocaat." Attracting as it did the lower excise duty, *it was capable of underselling* the Dutch variety. In fact it captured an appreciable share of the English market for "Advocaat" and caused substantial damage to Warnink and other traders in Dutch "Advocaat."

It could not be shown that any *purchaser of "Keeling's Old* English Advocaat" supposed, or would be likely to suppose the drink was that supplied by Warnink, or to be a Dutch "Advocaat" of any make. So, *in its classic form,* Warnink had no cause of action for passing-off. The findings of the trial judge, however, led him to grant Warnink an injunction restraining Keeling from selling *or distributing, under the name* or description "Advocaat," any product that did not basically consist of eggs and spirit without any admixture of wine. The crucial question was whether *the judge was right in* holding that the law did provide a remedy to those whose business and goodwill was injured by what the House of Lords acknowledged as "unfair, not to say dishonest, trading."

The trial judge had found five factors present in the evidence. "Advocaat" was understood by the British public to denote a distinct and recognisable species of drink; Warnink's product had acquired a genuine reputation and goodwill, using that name to describe its product; Keeling's post-1974 product had no natural association with the *word "Advocaat," since* it was strictly an Egg Flip; members of the public had been led to believe that in buying Keeling's product they were in fact buying advocaat; and Keeling's *deception of the public* had caused, and would continue to cause, loss to Warnink. Did those findings bring the case within the extended definition of a "passing-off" action? The House of Lords has resoundingly affirmed the extension of the law's protection to such unfair trading.

What are the limitations now on this extended remedy? Not *every unfair, or even dishonest,* trading will be caught. In an economic system that has relied on competition to keep prices down and to improve products, there are practical reasons why the law has hesitated to halt practices that might hamper competition. The market in which the action for passing-off originated was very different from that of today. As Lord Diplock put it graphically: "It was no place for the mealy-mouthed; advertisements are not an affidivat; exaggerated claims by a trader about the quality of his wares, assertions that they are better than those of his rivals, even though he knows this to be untrue, have been permitted by the common law as venial 'puffing' which gives no cause of action to a competitor, even though he can show that he has suffered actual damage in his business as a result."

Increasing recognition by Parliament of the need for more rigorous standards of commercial honesty is a prime factor that the courts can no longer ignore when confronted with analagous situations to consumer protection legislation. Where there can be discerned a steady trend in legislation reflecting the public interest in a particular field of law, the courts will proceed upon a parallel rather than on a divergent course.

Unfair trading takes an infinite variety of forms, to some of which separate labels have *been attached* in English law. Conspiracy to injure a person in his trade or business is one; slander of goods is another. Passing off is perhaps now the most adaptable to the commercial situation. The forms that unfair trading takes will of course alter with the ways that trade is carried on and business and goodwill acquired. The courts will adapt accordingly.

What then are the characteristics that mark out the unfair trading for legal action by those injured? To substantiate a *valid cause of action for passing-*off, the courts will require five features. There must be (a) a misrepresentation, (b) made by a trader in the course of trade, (c) to prospective customers of his or ultimate consumers of goods or services supplied by him, (d) which is calculated to injure the business or goodwill of another trader (in the sense that it is a reasonably foreseeable consequence) and (e) which causes actual damage to a business or goodwill of the trader by whom the action is brought, or will probably do so.

All five characteristics were present in the Advocaat case. Put in a nutshell (or perhaps in an egg-cup), Warnink's had suffered serious injury to its trade as a result of Keeling having put on to the English market, in competition with Warnink and at a cheaper price, an egg and wine based drink which it miscalled "Advocaat," instead of Egg Flip which is its proper name.

**Erven Warnink Besloten Venootschap and others v. J. Townend and Sons Ltd and others.*

Piggott and Swiss Maid

RACING

BY DOMINIC WIGAN

LESTER PIGGOTT has now confirmed that he will definitely ride Swiss Maid instead of Crimson Beau in an attempt to win the Eclipse Stakes at San*down on Saturday for the ninth* time.

Paul Cole, contrary to many reports is in no way worried by Piggott choosing the mare trained by Paul Kelleway. He will now rely on Geoff Baxter.

Baxter, who has served Cole particularly well since joining him at Lambourn, would have ridden Crimson Beau in the Prince of Wales's Stakes at Royal Ascot had the four-year-old's connection not gone out of their way to secure Piggott. Crimson Beau produced the finest performance of his career in that race under an inspired piece of tactical riding by Piggott. He will be well served should the ground remain fast. Yet I doubt him having the class to land an Eclipse even in *a sub-standard year like this.*

At Newmarket last autumn Crimson Beau finished last of 10 behind Swiss Maid after becoming thoroughly worked up in the preliminaries.

Swiss Maid, all at sea in sloppy conditions when a remote fifth behind Jellaby in the Brigadier Gerard Stakes at Sandown when making *her seasonable debut towards* the end of May, ran a far better race in going down narrowly to Obraztsovy and Noir et Or in the 1½ miles Hardwicke Stakes and is clearly returning to somewhere near her best. Saturday's shorter trip over which she gained that entirely merited Champion Stakes success will suit her ideally. She strikes me as a worthy favourite.

Latest betting on the Eclipse sponsored by Joe Coral: 6-4 Swiss Maid; 2-1 Dickins Hill; 6-1 Crimson Beau and Northern Baby; 10-1 Borzoi; 25-1 Effulgence and Stone.

Northern Baby's trainer, Francois Boutin, who was re*sponsible for Trepan first past* the post in 1976, is thinking of saddling Le Marmot for the King George VI and Queen Elizabeth Diamond Stakes. This bay son of Amarco obliged on his first two outings this spring, before finding only Topville too good in the French Derby. Parquet, the French champion jockey, who rode Le Marmot in that race, will ride Northern Baby on Saturday.

BRIGHTON

2.00—Bright Mark
2.30—Spanish Issue
3.00—Icena Star***
3.30—Martinholme
4.00—Arjun**
4.30—Busted Away

CARLISLE

2.45—Henham Lodge
3.15—No Bombs*
4.45—Nariz

TV Radio

† Indicates programme in black and white

BBC 1

1.30 pm Playboard. 1.45 News. 1.55 Wimbledon Lawn Tennis Championships. 4.18 Regional News for England (except London). 4.20 Play School (as BBC2 11.00 am). 4.45 Captain Caveman. 4.55 Blue Peter Special Assignment.
5.40 News.
5.55 Nationwide (London and South-East only).
6.15 Wimbledon 79.
7.30 Top of the Pops.
8.05 Wildlife on One.
8.30 Rosie.
9.00 News.
9.25 The Deep Concern.
10.10 Person to Person.
10.50 Tonight.
11.30 Millenium of Tynwald.
12.00 Weather/Regional News.

All Regions as BBC1 except at the following times:—

Scotland — 9.50 am Magic Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Desert Adventure. 10.40-11.00 Take Hart. 5.55-6.15 pm Reporting Scotland. 12.00 News and Weather for Scotland.

Wales—5.55 pm Wales Today. 6.15 Heddiw. 6.35 Join BBC1 (Wimbledon). 12.00 News and Weather for Wales.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.15 Scene Around Six. 12.00 News and Weather for Northern Ireland.

England—5.55-6.15 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
2.00 pm Wimbledon Lawn Tennis.
7.55 Mid-Evening News.
8.05 Beside the Sea.
8.30 The Paper Chase.
9.20 The Wooldridge View.
10.10 Wimbledon highlights.
11.00 Late News.
11.15 Open Door.
11.45 Closedown reading.

LONDON

9.30 am Schools Programmes. 12.00 Animal Kwackers. 12.10 pm Once Upon a Time. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus at Home. 2.25 The Secret Life of Edward James. 3.20 Sounds of Britain. 3.50 Quick on the Draw. 4.20 Project UFO. 5.15 The Squirrels.
5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 Salvage 1.
8.00 George and Mildred.
8.30 TV Eye
9.00 Best Sellers: "Mr. Horn."
10.00 News.
10.30 pm Best Sellers (cont.)
11.30 World Modern Rhythmic Gymnastics Highlights.
12.00 What the Papers Say.
12.15 am Close: Personal choice by Kenneth Connor.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm *Anglia News.* 2.00 House-party. 4.20 The Beachcombers. 4.50 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 Thundercloud. 11.30 Hazell. 12.30 am The Living Word.

ATV

12.30 pm *The Practice.* 1.20 ATV Newsdesk. 2.25 The Royal Show. 4.20 Jonny Quest. 4.50 Sierra. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Thundercloud. 11.30 Format V. 12.00 Police Surgeon.

BORDER

1.20 pm Border News. 2.00 House-party. 2.25 The Royal Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Laverne and Shirley. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Thundercloud. 11.30 Devine Country. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 6.00 Channel News. 6.10 Call It Macaroni. 7.00 The Jim Davidson Show. 7.30 Untamed World. 10.28 Channel Late News. 10.32 Chopper Squad. 11.20 Best Sellers (cont.). 12.40 am Actualities et Projections.

GRAMPIAN

9.45 am First Thing. 9.50 The Lost Islands. 10.00 Man From Atlantis. 11.05 Tarzan. 1.20 pm Grampian News Headlines. 4.20 Little House on the Prairie. 5.15 Bailey's Bird. 5.40 Police News-room. 6.00 Grampian Today. 7.00 Fantasy Island. 11.30 The Master-builders. 12.00 Reflections. 12.05 am Grampian Late Night Headlines.

GRANADA

1.20 pm Cartoon. 5.10 The Undersea Adventures of Captain Nemo. 5.15 *Crossroads.* 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Girl With Something Extra. 7.30 Thundercloud. 11.30 What's On.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.20 Spider-*man. 4.45 Bailey's Bird. 5.15 Jobline* Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Fantasy Island. 7.30 Thundercloud.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.45-5.20 Seren Wib. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines, 6.15-6.30 Report West.

SCOTTISH

9.30 am Castaway. 9.55 Clue Club. 10.20 Finnish Nature. 10.30 Star Maidens. 10.55 Sport/Art? 11.05 *General Hospital.* 1.25 pm News and Road and Weather. 2.25 The Royal Show. 4.20 Bailey's Bird. 4.50 The Squirrels. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today Summer Extra. 6.30 Garnock Way. 7.00 The Mary Tyler Moore Show. 7.30 Thundercloud. 11.30 Late Call. 11.35 Barney Miller.

SOUTHERN

1.20 pm Southern News. 2.00 House-party. 2.25 The Royal Show. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Thundercloud. 9.00 Hazell. 10.30 Southern News Extra. 10.35 People Rule! 11.05 The New Avengers.

TYNE TEES

9.25 am The Good Word, followed by North-East News Headlines. 1.20 pm *North-East News and Lookaround.* 4.20 Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Thundercloud. 11.30 Double Top. 12.00 Side Street. 12.40 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Dynomutt the Dog Wonder. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 Oh No, It's Selwyn Froggitt. 7.00 Emmerdale Farm. 7.30 Thundercloud. 11.10 Pro-Celebrity Darts. 11.45 Bedtime.

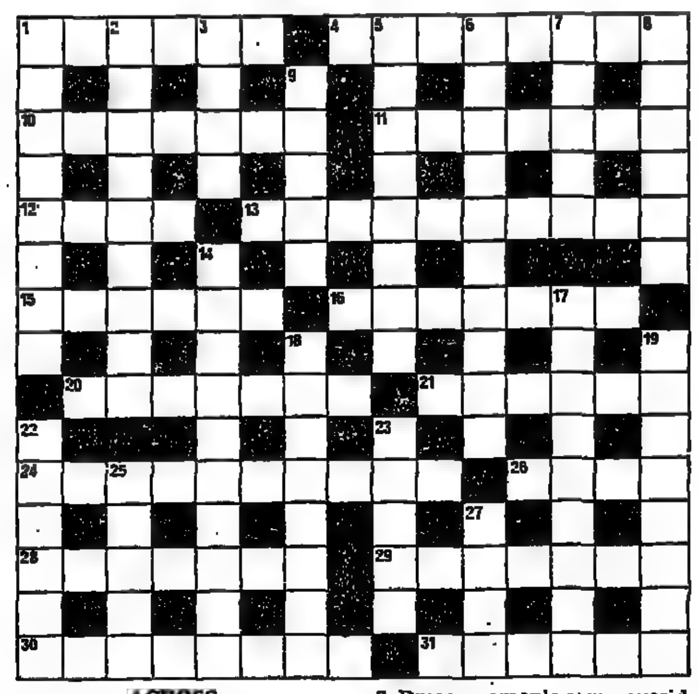
WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 7.00 The Jim Davidson Show. 7.30 Miss Westward '79. 10.32 Westward Late News. 10.36 Lifespan. 11.05 Politics West. 11.20 Movie Premiere: "Liz Stonestreet." 12.40 am Faith for Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.20 Rocket *Robin Hood. 4.45 The Life and Times* of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Thundercloud. 11.30 Devine Country. 12.00 Police Surgeon.

F.T. CROSSWORD PUZZLE No. 4,013



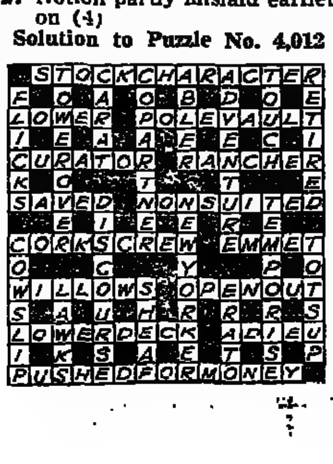
ACROSS

1 A *centipede has mounts* (6)
4 Judicial writ ordering husband to take mother to U.S. (8)
10 Song by a rocker (7)
11 Put screw on niggardly Cockney layer (7)
12 Female invitee to the garden (4)
13 Two-way journey when not in and not out! (3, 3, 4)
15 Drive National Trust is pressing (6)
16 Reserve support (5, 2)
20 A barrier to worker not giving way (7)
21 Swordsman making a boundary (6)
24 Compact party used to be served by *prisoners* (4, 6)
26 Top film that gets no purity certificate (4)
28 Bribe advanced quickly has nothing to satisfy singer (7)
29 Immature croaker has to *plead differently* (7)
30 Change digits of engineers' pain killer (8)
31 Pitiful quality of track ordinary seaman shows (6)

DOWN

1 Unfinished newspaper feature taken on coach by explorer (8)
2 Invalid tried to be unwise (3-6)
3 Cry like a beast in place of vicar (4)
5 Draws women's army outside region (8)
6 Food given to Terriers in mess (4, 6)
7 Slogan for doctor abstainer takes round (5)
8 Verse boy has to clear (6)
9 Sweet stuff Surrey takes right to the top (5)
14 Orwell's beastly satire (6, 4)
17 Support clergy with part of scenery (4-5)
18 Prominent feature turning up to rebuff informer (4, 4)
19 *Fairy tale quality*, we hear, of severity (8)
22 Horse over the sticks following drink (6)
23 Leave point entirely (5)
25 Rake writing about cathedral (5)
27 Notion partly mislaid earlier on (4)

Solution to Puzzle No. 4,012



Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m
& 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Paul Gambaccini. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 2.03 pm Pete Murray's Open House (S) (continued from Radio 2 12.30 pm). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 John Dunn (S). 7.00 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) (continued on VHF). 2.03 Wimbledon '79. 4.30 Waggoners' Walk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Thank You, Mrs. Fothergill. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music with Sheila Tracey (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composer. Mendelssohn (S). 10.00 Allegri String Quartet concert, part 1 (S). 10.55 Interval reading. 11.00 Concert, part 2. 11.40 Hilding Rosenberg (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "The Bartered Bride," comic opera in three acts by Smetana. Acts 1 and 2. 3.25 Interval reading. 3.30 "The *Bartered Bride*," Act 3. 4.20 A Recent Henze Work for Violin Solo (S). 4.45 Harpsichord Recital (S). 5.25 Homeward Bound (S). 5.45 News. 5.50 Homeward Bound (S). 6.15 At Home (S). 7.10 A Musical Ramble (S). 7.30 "The Hardman," by Tom McGrath and Jimmy Boyle (S). 9.05 The Flood in Paris and other matters, by Rabelais. 9.20 Scottish Chamber Orchestra (S). 10.20 Wilhelm Backhaus piano recital (S). 10.50 Music in Our Time. (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 *Today, including* 6.45 Prayer for the Day: 7.00, 8.00 Today's News: 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-week with Benny Green. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 Analysis. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Preview of Radio 4 UK. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre (S). 4.35 *Story Time.* 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1979 (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Bournemouth Symphony Orchestra from Winchester Cathedral, part 1: Elgar, Mozart (S). 8.15 "Villi" (talk by Bill Campbell). 8.35 Bournemouth SO, part 2: Saint-Saëns (S). 9.20 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

London Broadcasting

5.00 am *As Radio 2.* 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul '79. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. 1.05-5.00 am Join Radio 2.

Capital Radio

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

BBC Radio London

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony *Myatt's Late Show* (S). 2.00 am Duncan Johnson's Night Flight (S).

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. Until July 14. PEKING OPERA. Evgs. 7.30. Mat. Sat. July 7 at 2.30. A magnificent spectacle of dance, drama, acrobatics, comedy, mime and song—sumptuous costumes, dazzling colours—a unique entertainment.

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Season opens Aug. 6: 2 Cycles. The Ring of the Nibelung, Die Fledermaus, La Traviata. Booking is now open.

COVENT GARDEN. CC. 240 1066 (Gardencharge Credit Cards 836 6903). THE ROYAL OPERA. Tomor & Tue 7.30 Idomeneo. Sat 7.30 The Rake's Progress. Mon 7.30 Cavalleria rusticana/Pagliacci. THE ROYAL BALLET SCHOOL. Wed. 7.30 Folk, Irish & Scottish Dancing Sinfonietta, Concerto Barocco, Checkmate. 65 Amphi seats avail for all perfs from 10 am on day of perf.

GLYNDEBOURNE. 0273 812411-813424. Sold Out—possible returns only. Tonight, Sat, Mon & Wed at 5.10: Così fan tutte. Tomor, Sun & Tues at 5.30: Die schweigsame Frau with London Philharmonic Orchestra.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. Until July 21. BALLET RAMBERT. Evgs. 7.30. Until Sat.: The Tempest.

WESTMINSTER. CC. S. 834 0283. Evgs. 7.45. Mats. Wed. and Sat. 3.00. THE MUSICAL THEATRE COMPANY. THE MIKADO. Company includes Chris Booth-Jones, Fiona Dobie, Dianne Stafford, Neil Jenkins, Rosemary Jenner, Thomas Lawlor, Martin McEvoy, Philip Summerscales, Alison Truefitt. LIMITED SEASON.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings at 7.30. Mats. Thurs. at 3.0. Sats. at 4.0. JOHN INMAN in "GLORIOUS FARCE." D. Tel. CHARLEY'S AUNT. "Thoroughly enjoyable." Sun. Tel. "Laughs flow freely." N. of World.

ALBERY. From 8.30 am incl. Suns. 836 3878. CC. bookings 836 1071-3. Eve. 7.45. Thurs. and Sat. 4.30, 8.30. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER. "MIRACULOUS MUSICAL." Financial Times. With ROY DOTRICE, GILLIAN BURNS, MARGARET BURTON. Party rates and student standby avail.

ALDWYCH. CC. 836 6404. Inf. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Ton't 7.30. Tomor 7.00 first night ANTONY AND CLEOPATRA (sold out—Seats available from 13 July). With: Bulgakov's THE WHITE GUARD (next perf. 9 July). John O'Keeffe's WILD OATS (next perf. 11 July). RSC also at THE WAREHOUSE (see under W).

AMBASSADORS. CC. 01-836 1171. Evs. 8.00. Fri. and Sat. 5.30 and 8.30. DINSDALE LANDEN, GWEN WATFORD, DAVID BURKE, ANGELA DOWN in BODIES by JAMES SAUNDERS. "THE IMPACT HIT ME LIKE A THUNDERBOLT FROM JOVE. THE LANGUAGE BLAZES WITH WIT AND INTELLIGENCE AND ITS THEME ELECTRIFIES." Daily Mail. BODIES. "WHEN WE HAVE LAUGHED AT ITS WIT, BEEN HELD IN THE GRIP OF ITS DRAMA AND REVELLED IN THE COLOURS AND LAYERS OF ITS LANGUAGE BODIES STILL RAISES ECHO AFTER ECHO IN OUR MINDS AND HEARTS. DINSDALE LANDEN'S PERFORMANCE IS WORTH GOING MILES TO SEE." Bernard Levin. BODIES. "MR. LANDEN GIVES WHAT I INSIST IS THE BEST PERFORMANCE IN A MODERN PLAY NOW TO BE SEEN IN LONDON." E. News.

APOLLO THEATRE. CC. 01-437 2663. Evs. 8.00. Sat. 5 and 8. Mats. Th. 3.00. IAN LAVENDER, CHRISTOPHER TIMOTHY, JULIA FOSTER in HAPPY BIRTHDAY. A VERY FUNNY NEW COMEDY BY THE AUTHORS OF "BOEING BOEING." "FEYDEAU LIVES, ÇA VA!" Gdn. "IT WILL PROBABLY RUN AND RUN." Daily Mail.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN. "Hilarious . . . do see it." Sun. Times. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS 4TH YEAR.

ASTORIA. Charing X Rd. S. CC. 01-734 4291 or 439 8031. Mon.-Thurs. 8 pm. Fri. and Sat. 6 and 8.45 pm. LIVE ON STAGE "GREASE". "ENERGY, VITALITY AND SHEER EXUBERANCE." Daily Express. "GREASE". AS SLICK, SMOOTH AND SLEEK AS SHOULD BE—The Sun. "GREASE". Group booking 01-437 3856. ½ hour before show—best available seats ½ price.

BOULVARD THEATRE. Walkers Court, Brewer St., W1. 437 2661. JEREMY TAYLOR. Tues. to Sat. 8.30. Sun. 6.30.

CAMBRIDGE. 01-836 6056. Also opens Sun. 11 am-7 pm. CC. 01-836 7040. Mon.-Thur. 8.00. Fri. and Sat. 5.00 and 8.30. THE CRITICS RAVED ABOUT . . . CHICAGO. THE HIT BROADWAY MUSICAL. Group bookings 01-437 3856.

CHICHESTER FESTIVAL THEATRE. 0243 781312. Season sponsored by Martini & Rossi. THE DEVIL'S DISCIPLE. Today Sat. 7.00. THE EAGLE HAS TWO HEADS. Today. Sat. 2.00. Tomor. 7.00.

COLLEGIATE THEATRE. 01-388 7824. 387 9629. Tom Stoppard's latest play. DOGG'S HAMLET, CAHOOTS MACBETH by The British American Repertory Company. World Premiere Tour. Limited Engagement July 9-Sept. 1.

COMEDY THEATRE. CC. 01-930 2578. Mon.-Sat. 9.00. Mats. Fri. and Sat. 6.30. THE ONLY ROCK 'N' ROLL SHOW. THE ROCKY HORROR SHOW. SNACK BAR OPEN 1 HR. BEFORE PFS.

CRITERION. From 8.30 am inc. Suns. 930 3216. CC. bookings 836 1071. Mon.-Thurs. 8. Fri. and Sat. 5.30 and 8.30. IAN McKELLEN, TOM BELL. "I doubt that there are two finer performances in London." Punch. BENT by Martin Sherman. Directed by Robert Chetwyn. "A V-sign defiantly flourished at all forms of oppression." New Statesman.

DRURY LANE. CC. 01-836 8108. Evgs. 8 pm Friday and Sat. 6 pm and 8.45 pm. The Rio Extravaganza BRASIL TROPICAL. "The dancers vibrate, oscillate, and pulsate, while topless, yet retaining their baubles bangles and beads." Ev. News.

DUCHESS. 01-836 8243. Mon. to Thurs. Evs. 8.00. Fri. and Sat. 5.30 and 8.15. OH! CALCUTTA! "The nudity is stunning." Daily Tel. Ninth Sensational Year.

FORTUNE. 836 2238. Evgs. 8.00. Mats. Thurs. 3.00. Saturdays 5.00 and 8.00. AGATHA CHRISTIE'S MURDER AT THE VICARAGE. FOURTH GREAT YEAR.

GARRICK. CC. 01-836 4601. Evgs. 8.0 (sharp). Wed. 3.00. Sat. 5.30 and 8.30. DENNIS QUILLEY in IRA LEVIN'S NEW THRILLER DEATH TRAP. "THREE CHEERS FOR TWO HOURS OF VERY INGENIOUS, VERY FUNNY, MARVELLOUS ENTERTAINMENT." S. Tel. "VERY EXCITING." Fin. Times.

GREENWICH THEATRE. CC. 01-858 7755. Evenings at 8.00 (sharp). Mat. Sat. 2.30. "Pirandello's great play." Evg. Std. SIX CHARACTERS IN SEARCH OF AN AUTHOR. "I urge everyone to see it." S. Tel. Tkts. from £1.60.

GLOBE THEATRE. CC. 01-437 1592. Evenings 8.15. Sat. at 6.0 and 8.40. ALISON STEADMAN, CHRISTOPHER CASENOVE. JOKING APART. "ALAN AYCKBOURN'S comedy sparkles with wit." NoW. Last Wk. ends Sat.

GLOBE THEATRE. CC. 01-437 1592. Red. Price Prevs. from July 14. Opens July 25. ANTON RODGERS, GEMMA CRAVEN, DIANE LANGTON, ANDREW C. WADSWORTH & DAVID HEALY in SONGBOOK. A new musical by MONTY NORMAN & JULIAN MORE.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sat. 4.30 and 8.00. KEITH MICHELL, SUSAN HAMPSHIRE in THE SHERLOCK HOLMES MYSTERY THE CRUCIFER OF BLOOD by PAUL GIOVANNI. "The kind of spectacle I cannot recall since boyhood . . . terrific stuff." News.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Fri. Sat. 5.15 and 8.45. AIN'T MISBEHAVIN'. The New Fats Waller Musical Show. "A RIOTOUS HIT." Daily Mail. "JUBILANT. THE BEST PERFORMANCE OF ANY MUSICAL IN LONDON." Obs.

KING'S HEAD. 226 1916. Dnr. 7. Show 8. PEARLESS FRANK by Andrew Davies. "Best British musical for ages." F. Times.

LYRIC THEATRE. CC. 01-437 3686. Evs. 8.00. Thurs. 3.00. Sat. 5.00, 8.30. JOAN PLOWRIGHT, FRANK FINLAY, PATRICIA HAYES in FILUMENA by Eduardo de Filippo. Directed by FRANCO ZEFFIRELLI. Society of West End Theatre Award. COMEDY OF THE YEAR. ACTRESS OF THE YEAR. "TOTAL TRIUMPH." Evening News. "An EVENT TO TREASURE." D. Mirror. LIMITED SEASON ENDS JULY 21.

MAYFAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD, A NIGHT IN THE UKRAINE. A MUSICAL REVUE. "Superlative non-stop comedy." E. News. "Laugh riot . . . sheer fun . . . not to be missed." S. Express. "The funniest script the Marx Brothers never wrote." Daily Mail.

OLD VIC. 01-928 7616. OLD VIC COMPANY. Season opens July 24th HAMLET, ROMEO & JULIET, The GOVERNMENT INSPECTOR, THE PADLOCK, MISS IN HER TEENS, WHAT THE BUTLER SAW, THE 88. General booking now open.

PALACE. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri. & Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd Webber.

NATIONAL THEATRE. 'S' CC. 928 2252. OLIVIER (open stage): Ton't & Tomor 7.30 sharp UNDISCOVERED COUNTRY by Arthur Schnitzler in a version by Tom Stoppard. LYTTELTON (proscenium stage): Ton't 7.45 BETRAYAL new play by Pinter. Tomor 7.45 Close of Play. COTTESLOE (small auditorium): Mon. to Sat. at 8.00 Michael Herr's DISPATCHES adapted for the stage by Bill Bryden and the company (perhaps not suitable for children). Excellent cheap seats from 10 am day of perf. all 3 theatres. Car park, restaurant 928 2033. Credit card bookings 928 3052. Air conditioning.

OPEN AIR REGENTS PK. CC. 486 2431. TWELFTH NIGHT. Today & Sat. 2.30 & 7.45. Fri 7.45 A MIDSUMMER NIGHT'S DREAM. Mon. 7.45.

OPEN SPACE. 387 6969. David Mamet's A LIFE IN THE THEATRE. Red'd Price Prevs July 13, 14, 15 & 17 at 8 pm. Opns July 18 at 7 pm. Subs Tue-Sun 8 pm.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in Rodgers and Hammerstein's THE KING AND I also starring Virginia McKenna. HOTLINE 01-437 2055. Evenings 7.30. Mats. Wed. Sat. 2.45.

PARK LANE HOTEL. 01-490 5321. DINNER-THEATRE. WREN, PEPYS & CHARLIE TOO. A New Musical + Champagne Reception + 4 Course Dinner + Wines. Evngs. incl. Sunday 7 pm.

PHOENIX THEATRE. CC. 01-836 2294. Evs. 8.00. Wed. 3.00. Sat. 5.00 and 8.30. MAGGIE SMITH, PATRICK MOWER in NIGHT AND DAY. A new play by TOM STOPPARD. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award.

PICCADILLY. From 8.30 am incl. Suns. 437 4506. CC bkgs. 836 1071. Evs. 8. Thur. 3. 8. Sats. 5.30, 8.30. PETER BARKWORTH, HANNAH GORDON in Brian Clark's new play CAN YOU HERE ME AT THE BACK? "WONDERFUL PLAY WITH WONDERFUL PERFORMANCES." NoW. "ARTICULATE AND WITTY." D. Express. "A SUPERBLY ABSORBING PIECE OF ENTERTAINMENT." The Sun.

PRINCE OF WALES. CC. 01-930 8681. Card bookings 930 0846. Mon.-Thurs. 8.00. Fridays and Sats. 6.00 and 8.45. ALAN AYCKBOURN'S smash-hit comedy BEDROOM FARCE. "If you don't laugh sue me." D. Exp. A National Theatre Production.

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs., Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince. Tickets available for Matinee today.

QUEEN'S THEATRE. CC. 01-734 1166. Previews from 11 July at 8. Opens 17 July at 7. Subs. evgs. 8. Sat. 5 & 8.15. GEMMA JONES, PATRICIA ROUTLEDGE in AND A NIGHTINGALE SANG. A new comedy by C. P. Taylor.

QUEEN'S THEATRE. CC. 01-734 1166. MICHAEL CRAWFORD. "IS MAGIC, A TRIUMPH." Sun. CHERYL KENNEDY in FLOWERS FOR ALGERNON. "A TOTAL ARTISTIC TRIUMPH." D.M. Evenings 8.00. Sat. 5.0 and 8.00.

RAYMOND REVUEBAR. CC. 734 1593. At 7.00, 9.00, 11.00 pm. Open Suns. PAUL RAYMOND PRESENTS THE FESTIVAL OF EROTICA. FULLY air-conditioned. 21st YEAR.

ROYAL COURT. 730 1745. Reduced Price Prevs. Eve. 7.30. Opens Mon. 7. REGGAE BRITANNIA by Leigh Jackson.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. Prevs. from July 11 at 8 pm. MARIE & BRUCE by Wallace Shawn.

ROYALTY. CC. 01-405 8004. Monday-Thursday evening 8.00. Friday 5.30 and 8.45. Saturdays 3.00 and 8.00. BUBBLING BROWN SUGAR. "ONE OF THE MOST EXCITING MUSICALS FOR YEARS." NoW. BUBBLING BROWN SUGAR. "AN EXPLOSION OF DELIGHT." D. Mail. BUBBLING BROWN SUGAR. "NOT ONLY DOES IT BUBBLE, BUT IT SPARKLES, GLOWS, SHIMMERS AND ERUPTS . . . IT IS TERRIFIC." S. Express. BUBBLING BROWN SUGAR. Restaurant opens 6.30: 01-405 2418. Group Bookings: 01-437 3856.

ST. GEORGE'S SHAKESPEARE TH. Tufnell Park Rd. N7. 607 1128. Ton't, Tomor 7.30. Sat 4.00 (Special Summer Mat.) & 7.30 AS YOU LIKE IT with ROSEMARY LEACH. Mon 7.30, Tue 4.00 (Special Summer Mat.) & 7.30, Wed 7.30 JULIUS CAESAR with BERNARD HEPTON. Also in Rep: Richard II.

SAVOY THEATRE. 01-836 8888. Credit cards 01-734 4772. BILL PATERSON in WHOSE LIFE IS IT ANYWAY? BY BRIAN CLARK. "A MOMENTOUS PLAY, I URGE YOU TO SEE IT. IT STIRS THE HEART AND ACTIVATES THE MIND LIKE NOTHING ELSE IN LONDON." Guardian. WHOSE LIFE IS IT ANYWAY? "IS A BLAZING LIGHT IN THIS SEASON." N.Y. Times. WHOSE LIFE IS IT ANYWAY? "I HAVE RARELY FELT SO GRIPPED. MY ATTENTION HAS NEVER WANDERED LESS AND I HAVE NEVER FELT SO CONSCIOUS THAT EVERYONE IN THE HOUSE WAS REACTING AS I WAS." Obs. Ev. 8.00. Sats. 5.45 and 8.45. Red. price Matinees Wed. at 3.00. 2nd GREAT YEAR.

ST. MARTIN'S. Credit cards. 836 1443. Evenings 8. Mat. Thur. 2.45. Sat. 5 & 8. AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST-EVER RUN. 27th YEAR.

SHAFTESBURY. 836 6596. CC. 836 4255. Evgs. 7.45. Fri. and Sat. 5 and 8. BAWDY COMEDY MUSICAL CANTERBURY TALES. "LOTS OF SEX PLEASE, WE'RE BRITISH, SUMS UP THE SHOW'S APPEAL." D. Mir. SPECIAL SUMMER SEASON. LAST FEW WEEKS.

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. NO SEX PLEASE—WE'RE BRITISH. LONGEST-RUNNING COMEDY IN THE WORLD.

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. CELEBRATING 21 YEARS. From 8.00. Dining and Dancing. 9.30 SUPERB REVUE BUBBLY. At 11: THE DELTA RHYTHM BOYS.

VAUDEVILLE. CC. 836 9988. Evs. 8. Mat. Wed. 2.45. Sat. 5 and 8.00. EDWARD FOX in THE FAMILY REUNION by T. S. ELIOT. "Sheer Magic." Fin. Times. "This is Eliot's Greatest Play." Dly. Tel. Theatre is fully air conditioned.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. STRATFORD JOHNS in ANNIE. "BLOCKBUSTING SMASH HIT MUSICAL." Daily Mail. Best Musical of the Year 1978. E. Std.

WAREHOUSE. Donmar Theatre, Covent Garden. Box Office 836 6808. Royal Shakespeare Co. Evgs. 7.30. Pam Gems' PIAF (sold out).

WESTMINSTER. CC. S. 01-834 0283. Evgs. 7.45. Mats. Wed. and Sat. 3.00. GILBERT AND SULLIVAN'S THE MIKADO. "A good show. Very colourful, lively and exceptionally well sung, spoken and acted." Evening Standard. "The words, jokes and spirit of satire have never been so clearly amplified since Gladstone's day." Evening News.

WHITEHALL. CC. 01-930 6692-7765. Monday to Thursday 8.00. Fri. and Sat. 6.10 and 8.50. IPI TOMBI. "It is a foot-stamping, pulsating action-packed African musical." NoW. FOURTH GREAT YEAR.

WINDMILL. CC. 01-437 6312. Nightly at 8.00 and 10.00. Sunday 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Now showing new second edition. New girls, new acts, new production.

WYNDHAM'S. From 8.30 am incl. Suns. 01-836 3028. Credit card bkgs. 836 1071. Mon.-Thurs. 8.00. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH." Mary O'Malley's smash-hit comedy ONCE A CATHOLIC. "VERY FUNNY." Evening News. "Sure-fire comedy of sex and religion." Daily Tel. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

YOUNG VIC. 928 6363. Evs. 7.30. (No Perf. Mon. & Tue.) Rock Musical FAUST.

CINEMAS

ABC 1 & 2 SHAFTESBURY AV. 836 8861. Sep. perfs. ALL SEATS BKBLE. 1: THE DEER HUNTER (X). Wk. and Sun. 2.15, 7.30. 70mm Dolby Stereo. 2: PLAYERS (A). Wk. and Sun. 2.00, 5.00, 8.10.

CAMDEN PLAZA. Camden Town. 01-485 2443 (opp. Tube). PETER HANDKE'S THE LEFT HANDED WOMAN (A). Progs daily 2.00, 4.10, 6.25, 8.45.

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: J. R. R. Tolkein's THE LORD OF THE RINGS (A). Progs. 12.30, 3.05, 5.40, 8.20. 2: Lee Marvin, Robert Shaw AVALANCHE EXPRESS (A). Progs. 2.00, 4.10, 6.25, 8.35. 3: Gregory Peck, Laurence Olivier. THE BOYS FROM BRAZIL (X). Progs. 2.20, 4.55, 7.40.

CLASSIC 1, 2, 3, 4. Oxford Street. 636 0310 (opp. Tottenham Court Rd. Tube). 1: J. R. R. Tolkein's THE LORD OF THE RINGS (A) in Dolby Stereo. Progs. 1.00, 3.25, 5.50, 8.20. Special concessions for school parties. 2: Lee Marvin, Robert Shaw AVALANCHE EXPRESS (A). Progs. 2.40, 4.70, 6.25, 8.35. 3: KENTUCKY FRIED MOVIE (X). Progs. 2.00, 4.20, 6.30, 8.45. 4: THE WARRIORS (X). Progs. 1.00, 3.20, 5.45, 8.10.

CLASSIC. Leicester Square. 01-930 6915. Lee Marvin, Robert Shaw AVALANCHE EXPRESS (A). 12.25, 2.00, 4.10, 6.25, 8.35.

CLASSIC POLY. Oxford Circus (Upper Regent St.) 637 9863. Jane Fonda, Vanessa Redgrave JULIA (A). 4.40, 8.50. Shirley MacLaine, Anne Bancroft TURNING POINT (A). 2.30, 6.40.

CURZON. Curzon Street, W.1. 499 3737. Fully Air Conditioned. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.10, 6.20, 8.40. "As near perfection as one could wish . . . a treat of a film." Alexander Walker, Evening Standard.

LEICESTER SQUARE THEATRE. 930 5252. THE MUPPET MOVIE (U). Sep. progs. Dly 2.00, 5.15, 8.30. Late Night Show Sat 11.45 pm. Seats bkble in advance for 8.30 prog Mon-Fri & all progs Sat & Sun. No late show advance booking.

ODEON, LEICESTER SQUARE. 930 6111. MOONRAKER (A). Sep. perfs. Wks. doors open 9.45, 1.00, 4.20, 7.45. Sun. doors open 1.00, 4.20, 7.45. Late Night Show Tues-Sat. doors open 11.15 pm. All seats bkble in advance at Box Office or by post, except morning perf.

ODEON MARBLE ARCH. W2. 723 2011-2. THE SHAPE OF THINGS TO COME (A). Sep. perfs. Wks. doors open 2.00, 4.45, 7.45. Sun. doors open 3.00, 7.15. Late Night Show Sat. doors open 11.00 pm.

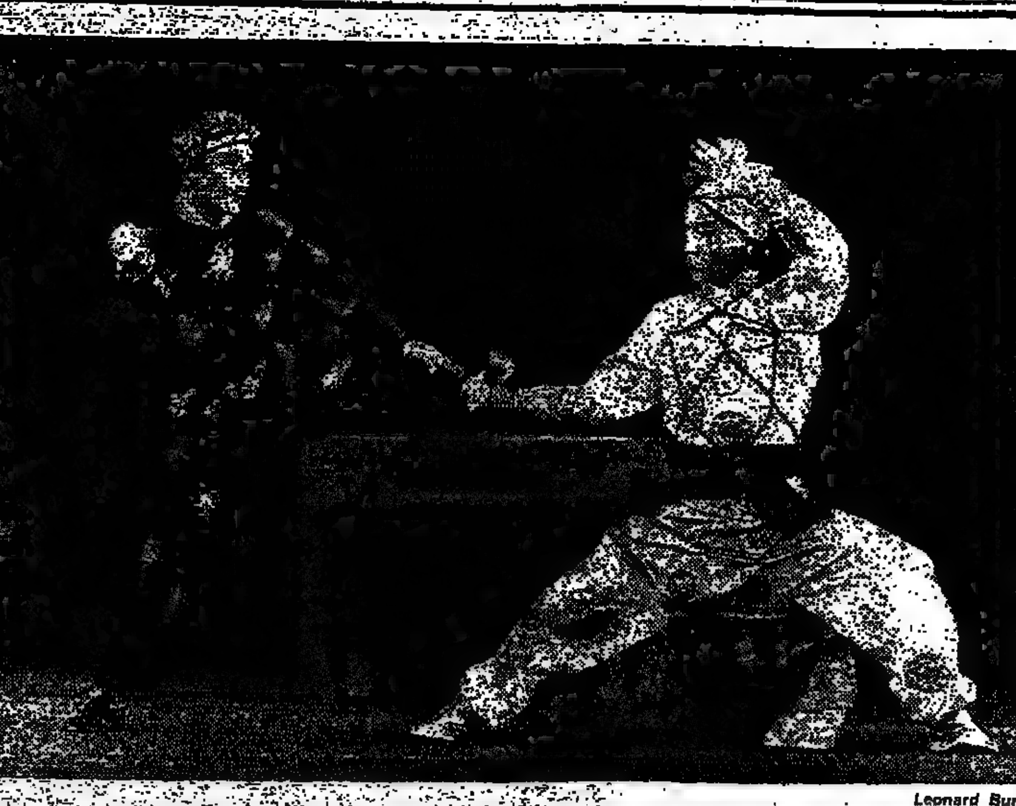
PRINCE CHARLES. Leic. Sq. 437 8181. Dustin Hoffman, Vanessa Redgrave AGATHA (A). Sep. Perfs. Daily (inc. Sun.) 2.30, 5.55, 8.35. Late Show Fri. and Sat. 11.15. Seats bookable. Licensed Bar.

SCENE 1. Leic. Sq. (Wardour St.) 439 4470. A Mel Brooks Double Treat YOUNG FRANKENSTEIN (AA). 1.40, 5.20, 8.55. SILENT MOVIE (A). 3.35, 7.15. Late Show Fri. and Sat. 10.55.

STUDIO 1 & 2. Oxford Circus. 437 3300. Licensed Bar. 1: THE DEER HUNTER (X). 12.45, 4.05, 7.30. Late Show Sat. 10.50. 2: Agatha Christie's DEATH ON THE NILE (A). Progs. 2.30, 5.25, 8.10. Late Show Sat. 10.40.

هكذا من الأصل

THE ARTS



Fan Longdi and Qin Weicheng in "At the Cross-roads Inn" Leonard Burt

Coliseum

Peking Opera by B. A. YOUNG

Forget the formalities of the Japanese theatre. Forget the origin of Peking Opera in 1790 (pretty recent compared with ours, anyway). Forget the elaborate code of meanings attached to the colour of dresses, the makeup of faces and so on. Forget the word "opera." Peking Opera is not an intellectual entertainment; it is a glittering synthesis of speech, song, mime, dance, acrobatics and fencing, and it is meant for the amusement of the ordinary man.

"Peking Opera" is a general term; this particular company comes from Shanghai. The four pieces they gave on Tuesday illustrate different aspects of their talent.

At the Cross-roads Inn was the first—a story that should be familiar to us, as it is the origin of Peter Shaffer's *Black Mischief*. Ren Tanghui, guarding the rear of an exiled general's retreat, stays the night with the good innkeeper Liu Lihua. (You know he's good because he carries a duster; this is one of those symbols I recommended forgetting.) Liu believes that he is the general's enemy, so as soon as the candle is out, though in fact it was never lit and the stage remains brightly illuminated, he attacks him. They then have a long fight in what we must imagine to be the dark. It's not only very funny, but immensely clever. Qin Weiching, who played Liu on Tuesday, is an acrobat of great skill—exceptional skill, I would say if it were not so general among the company.

The Phoenix of Fire is a dance representing a battle between egrets and vultures for an island prettily represented on the backcloth. The band, which sits visibly in the wings, gives us a rest from the endless clashing of cymbals and lets us hear some music on strings and wind instruments. At the climax, the Giant White Egret (Qi Shufang) turns into a phoenix and so defeats the vultures, and in doing so she not only makes a wonderfully pretty picture but displays really extraordinary ability. Eight vultures are throwing light spears at her, and she returns them, with her arms, her own weapon, or her legs, infallibly, to the vultures who threw them. She even does two at once, using both legs—not once, but three times in a row. This dancer also has a beautiful routine with long flame-coloured streamers that she waves in sinuous patterns.

The Jade Bracelet is a simple love-comedy that depends a good deal on dialogue (at which the Chinese around me laughed continuously); but there is also some attractive visual fun from Zhang Qiuwei as the mother of a girl who divides her time between feeding the chickens, with endless cries of "Oush!" and flirting with a young man.

The Yandang Mountains has a plot about a battle between two generals (who appear with four flags flying from their shoulders, symbolising an army, I understand). But it is really an astonishing display of fighting and acrobatics so quick and so accurate that they hardly seem possible under Newton's laws of motion.

I have not even mentioned the beautiful costumes or the simple but effective décor, with nothing on the stage that is not immediately required. One of my colleagues will be going later in the week; he can fill in my gaps. I hope he enjoys himself as much as I did.

Festival Hall/Radio 3

Chaikovsky by MAX LOPPERT

Riccardo Muti and the Philharmonia have been giving a series of Chaikovsky concerts. The music of the fourth and final of them, on Tuesday, was the First Piano Concerto and the Sixth Symphony—a pairing, in other words, of the most famous and popular Chaikovsky works. Both were played in a big, capital-lettered way. Those in the audience seeking in the performances evidence of any special feeling for the romance, intimacy and fantasy of the music may have been disappointed; others will have relished Muti's familiar vigour in galvanising his orchestra, the quantity of keen, thrusting sonorities he draws from it, the unsleepy brightness of attack and unfailingly prompt and punctilious articulation.

The pianist was the young Russian Andrey Gavrilov, much praised, much promoted. About his prodigious technique there could be no doubts; Mr. Gavrilov commanded the work in a way very seldom encountered, even at this late date. About his recreative imagination, on the other hand, this performance posed a question mark. Coolness and clarity, a sense of reserve in those passages (the *dolce* return to D flat and *tempo primo* in the Andantino, for example) sometimes gushed over and made cloyingly sweet—one admired the cleanness of the music-making thus evidenced without ever quite hearing the heartbeat of the music. Pianist and conductor are well matched in their views of the concerto, and the recording that is—needless to say—being made parallel to the concert will no doubt reflect the harmony of their partnership.

Philharmonia concerts in seasons past have shown Muti to be an endearingly fresh-spirited interpreter of the lower-numbered Chaikovsky symphonies. Freshness could still be detected in the middle movements of this no. 6. The 5/4 movement was spun off in a manner that combined concert-hall precision and a balletic light-footedness. The *Allegro molto vivace* had fire and rhythmic forwardness. In the heavy-laden moods of the outer movements, on the other hand, the conductor's taste seemed periodically to desert him. Peculiarities of balance (an absurdly prominent bassoon in the opening of the work, an unhappy assertiveness of timpani later on) must have been intended, for Muti's ear for balance is one of the nicest. The dramatic emphases were peculiar, too—fluctuations of tempo that appeared to want high theatricality without achieving it, passages of sheer loudness in which timbres were not blended but were coarsely brayed. It was almost as though the reading of these movements was one produced to satisfy public expectation, rather than one to which the conductor himself wholeheartedly subscribed.

Record Review

Massenet's Cinderella by RONALD CRICHTON

Massenet Cendrillon, von Stade, Welting, Berbié, Gedda, Bastin / Ambrosian Opera Chor. / Philharmonia / Rudel. Three records in box. CBS 79323. £12.49.

Strauss Die schweigsame Frau. Scovotti, Schöne, Adam/Chor. Dresden State Opera/Dresden Staatskapelle/Janowski. Three records in box. EMI SLS 5160. £15.95.

Two operas by composers who were masters of their craft. Neither work frequently performed or likely to be frequently recorded. But worth having, and worth snapping up now. In view of the Glyndebourne revival of *Die schweigsame Frau*, I had intended to put Strauss first, but the *Cendrillon* recording seems to me the more distinguished achievement. As for the music, there is more good Massenet in *Cendrillon* than good Strauss in *Die schweigsame Frau*, though there is more of that than meets the ear at first.

Cendrillon, founded on the fairy-tale of Perrault which is the origin of the *Cinderella* pantomime (and more remotely of Rossini's *Cenerentola*) came out at the Opéra-Comique in 1899. Massenet was to write several more operas before his death in 1912, but of them, only *Le Jongleur de Notre-Dame* and *Don Quichotte* added much to his fame. In the present Massenet revival *Cendrillon* has been largely overlooked. There are at least four rewarding singers' roles but no obvious star parts like Manon, des Grieux, Charlotte, Werther or Thaïs. In style the opera comes between the boudoir pieces and the spectaculars. Beecham loved it but only, I think, performed excerpts.

The flavour of the music is peculiar. There are echoes (possibly accidental—*The Sleeping Beauty* was written only a few years earlier) of the Chaikovsky of the ballets, with hints of 17th century pastiche. Some of these, like the "concert discret, calme et mystérieux" played in Act 1 Scene 2 to the moping prince, using "luth, viole d'amour et flûte de cristal" (more prosaically harp, viola and the Frenchest of French modern flutes) are among the most pleasing of Massenet's dips into the storybook past. In the fairy music Massenet, always an adept orchestrator, passes triumphantly into the virtuoso league, revealing a craftsman's knowledge of Berlioz, Weber and Bizet (and for the brilliant buffo music of the first scene, Rossini). In the other direction foreshadowing Debussy and, surprisingly, Strauss.

And, of course, Ravel. The links between *Cendrillon* and *L'Enfant et les sortilèges* and *Mother Goose* are revealing for differences as well as similarities. Massenet did not share Ravel's cult of deliberate artificiality or his single-mindedness. He makes some ravishing sounds in these scenes (the "silent dance of the dew-drops" for instance) yet compared with Ravel they are softly focused. But when we reach the episode of the Prince and Cendrillon searching for and finding one another in the fairy domain, when the girl hangs the boy's bleeding heart on the Fairy's Oak Massenet presses on to paths of sexual passion familiar to him but untrodden by Ravel.

Though the good things in *Cendrillon* are in the majority, the score is uneven. The Fairy has one theme (unfortunately Massenet tends to give it to humming chorus, like a Hollywood choir of stupefying banality. Cendrillon herself, when she stops being a mysterious girl and becomes a poor little woman, suggests (in advance) Charpentier's Louise. Except when they slip unexpectedly into waltz time, there are other sentimental pages in the duets for Cendrillon and her hen-pecked father Pandolfe.

Any reasonably good recording of *Cendrillon* would be welcome. The CBS issue is more than that. Julius Rudel and the Philharmonia make the orchestral writing shimmer and glint like musical Fabergé: the Ambrosian Opera Chorus have the time of their lives with Massenet's varied and effective writing. The final polish comes from the better-than-average French of all concerned, including the chorus. The name of the language coach, Pamela Stirling, deserves more than tiny print on the back page. The lesson of the same company's *Le Cid* has been learned—perhaps this will encourage them to re-record that opera, in London, with the same producers as *Cendrillon* — Roy Emerson and Paul Myers.

The title-role is taken by Frederica von Stade with the taste and extreme competence we now associate with her. Everything is right—the clear, even line without Gallic shrillness, projection without push, unforced excellence of diction. One feels Miss von Stade must have written a thesis about interpretation of 19th century French opera. The Fairy's role is not strongly characterised. It sounds like an upward extension of Cinderella herself, but the slight edge on Ruth Welting's tone (again, without shrillness) is enough to make the two voices sound distinct. Madame de la Haltière, the horrid stepmother, is the ever-reliable Jane Berbié — the only leading French member of the cast, ably supported by Teresa Cahill and Elizabeth Bainbridge as her daughters. Another reliable and versatile artist, Jules Bastin, sings Pandolfe, husband to Mme. de la Haltière, father to Cinderella.

Massenet wrote Prince Charming for a mezzo. at Chicago in 1911 Mary Garden sang the Prince to the Cendrillon of Maggie Teyte, the only time the rival Mélisandes performed together. Here the role is taken by Nicolai Gedda. CBS assure me the score contains a note saying that the composer approved of a tenor alternative. The only copy of the full score I have been able to see has the relevant page cut out, but it sounds like him to make such a concession. Gedda does the role with the skill and discretion one expects from him, but he does not nowadays sound like a French tenor with the bloom still on the tone (say, Vanzo in the recording of *Lakmé*). The presence of a tenor conventionalises the music. With a good mezzo (and they are not rare today) the crucial scene by the Fairy's Tree, with the three female voices intertwining, must have something of the ambiguous sensuality of *Rosenkavalier*.

And so back to Strauss. The EMI recording of *Die schweigsame Frau* comes at the right moment for the Glyndebourne revival. But being heavy where Glyndebourne is light-fingered, it doesn't do so much to rehabilitate this late Strauss comedy (Dresden, 1935). It starts promisingly, with the splendid Dresden State Orchestra under Marek Janowski giving a scintillating account of the "pot-pourri" overture, and there are other good things such as the warmth of string tone (impossible to get in the matter-of-fact Glyndebourne pit even, one would imagine, with Dresden players) and the carefully-graded exit of the opera troupe in the last act. But the big ensembles in the later part of act one, breath-taking this year in Sussex (for all that they keep the principal character off the stage and do little to advance the plot) go coarse on the records.

Morosus, the retired English sea-dog who can't stand noise, is sung by Theo Adam with a touch of Augustan elegance in the bluffness that is exactly right, but he no longer has the absolute steadiness for the old boy's musings in praise of quietness and domestic peace—Strauss at his most disarmingly euphonious. Wolfgang Schöne sings the intriguing barber Scheidebart strongly but without the dapper stylishness of Peter Gottlieb at Glyndebourne. As the mock-wife "Timidia" (really Aminta, real wife to Henry, nephew to the Admiral) Jeannette Scovotti has limpid moments but is taxed at the top—the writing goes to *Lulu* altitudes and too often *Lulu* noises are the result. There is a passable tenor, Eberhard Büchner, for Henry and two fine basses, Werner Haseleu (Vanuzzi) and Helmut Berger-Tuna (Farfallo). Some other small parts are roughly sung.

In adapting Jonson's version of the tale of the "silent" woman who turns into a scold the moment the wedding ring is on her finger, Strauss and his librettist Stefan Zweig made the mistake of trying to humanise the tale. Providing a reason for the admiral's hatred of noise (he was blown up by a powder-keg) and by making Timidia-Aminta a reluctant pseudo-shrew the story becomes more, not less unpleasant, the old man's trials too prolonged.

There is all the same some fabulously deft and clever writing in the score, and some curious pastiche—Strauss, unrepentant anachroniser, weaving references to virginal music into comic scenes enacted by Italian opera singers disguised as 18th century English lawyers. Also threadbare pages and disconcerting recalls from his earlier works—one of the opera singers has a tag belonging to Mandryka in *Arabella*. The use of the spoken word, often against music, is interesting. Strauss never lost his affection for the older, simpler type of comic opera with spoken dialogue.

Helen Cooper and Victoria Plucknett Roger Taylor

Open Air Theatre, Regent's Park

Twelfth Night by MICHAEL COVENEY

Twelfth Night, which can be the unfunniest of comedies, simply will not yield to the Regent's Park treatment. High camp it as they may, in sloppily tailored Edwardian gear and blurred pictures of Gainsborough ladies, the piece goes for nought if the sexual slack is left drooping. Orsino is given a jolly good Head Boy performance by Graham Sinclair. Mr. Sinclair should go far with other characters or Orsino's bent. He made that speech about women's sexual appetite sound really tactless.

Another strong point in David Conville's generally weedy production was the notion of giving Feste a puppet Quinapalas from the outset, a glove Punch (Sounds like a good idea for the bar) who turns up on his master's right fist looking, by turns, like Malvolio and, well, Mr. Punch. Feste's bile is thus alienated from its mouthpiece. The only drawback to this production idea is that Feste is played by an actor who can not only not sing, but also not act. His tuneless rendition of the final song is a perverse master-stroke. Orsino should pay him for *his* pains? What about ours?

There is a crop-haired Viola of mysteriously colonial origins from Helen Cooper, a no-nonsense Olivia from Victoria Plucknett, and Stan Pretty doubles decoratively as Sea Captain and Priest. Anthony Sharp runs rapidly out of steam as Malvolio and is less funny each time he appears. Loyal Antonio, always a joke of a part, is desperately boring. A really clever ploy, this, as Fabian is thus made to seem like the life and soul. And Fabian, you remember, is the one who exclaims: "Sowter will cry upon't for all this, though it be as rank as a fox."

Late in the day, Sir Toby explodes, during the Topaz interlude, "I would we were well rid of this knavery." The audience almost yawned in agreement and consulted their programmes to find that the whole evening had been dutifully modelled on a photograph of the theatre's opening production in 1932. *Plus ça change*...

Exhibition of Sargent portraits

John Singer Sargent and the Edwardian Age is the title of an exhibition opening at the National Portrait Gallery tomorrow and closing on September 9.

The exhibition, which had a preliminary showing in the country house setting of Lotherton Hall near Leeds, opens the new exhibition space in the National Portrait Gallery on Friday before travelling to Detroit.

The centre-piece of the exhibition is a series of full-length portraits, many of them lent from country houses and not seen in public for over half a century.

Organised jointly with the Leeds Art Galleries and the Detroit Institute of Arts, the exhibition includes major loans from French, British and American collections.

NOTICE OF REDEMPTION

To the Holders of

Phillips Petroleum International Investment Company

6% Guaranteed Sinking Fund Debentures Due 1981

Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on July 15, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, $1,180,000 principal amount of the above described Debentures, each in the denomination of $1,000 bearing the serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

08 11 14 21 26 29 32 36 48 49 51 53 54 56 66 67 69 86 89 92 94 95

Also Debentures bearing the following serial numbers:

664 3664 4564 7764 8164 9464 15464 16064 17064 18064 21954 23664 24064 24164

On July 15, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b), subject to any laws or regulations applicable thereto in the country of any such offices, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris, or Banca Commerciale Italiana in Milan or Bank Mees & Hope N.V. in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due July 15, 1979 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a bank in The City of New York or by transfer to a dollar account maintained by the payee with a bank in such City.

On and after July 15, 1979 interest shall cease to accrue on the Debentures herein designated for redemption.

Phillips Petroleum International Investment Company

Dated: June 14, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M-158	4157	4845	7672	7904	9805	11315	13994	16055	17003	17077	17198	17910	20011	20433	21240	22105
345	4658	4933	7690	7965	9815	11316	14020	16063	17045	17152	17200	18532	20013	20445	21403	
916	4686	5062	7693	8615	10446	11555	14043	16297	17050	17158	17201	18668	20265	20455	21406	
924	4769	5063	7697	8806	10463	11855	14083	16315	17054	17162	17203	18697	20266	20462	21433	
1045	4815	5345	7703	8833	10473	12015	14903	16363	17055	17173	17205	19755	20268	20503	21958	
1715	4841	5347	7705	8945	10834	12112	16033	16373	17061	17180	17515	19758	20269	20505	21962	
1915	4946	5862	7821	8952	11203	12905	16045	16433	17063	17181	17516	19781	20312	20523	22103	

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6% Sinking Fund Debentures due February 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1979 at the principal amount thereof $1,168,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. $1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

04 05 09 18 23 29 31 38 41 47 48 55 59 66 69 74 85 95

Also Outstanding Debentures of Prefix "M" Bearing the Following Serial Numbers:

1549 3049 5149 7549

On August 1, 1979, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due August 1, 1979 should be detached and collected in the usual manner.

From and after August 1, 1979 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

June 28, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. $1,000 EACH

M1911	4723	4729	10270	11452	14910	14925	14930	14935	14938	14945	14953	18750
2200	4724	8388	10281	14907	14911	14926	14932	14936	14941	14946	14961	
4588	4726	10261	10283	14908	14913	14927	14934	14937	14942	14952	15183	

This announcement appears as a matter of record only

Hartogen Energy Limited

(Formerly Pexa Oil N.L.)

Change of name, as indicated above, and reconstruction of the company's capital was ratified by shareholders in extraordinary general meeting in Sydney on Thursday, June 28, 1979.

Issued capital now comprises 12,600,000 ordinary $A1.00 fully paid shares. Authorised capital is $A50,000,000.

Financial advisers to the Hartogen Group are Schroder, Darling and Company Limited, Merchant Bankers.

The Hartogen Group

Hartogen House

15 Young Street, Sydney, NSW, Australia

Telephone (02) 27 2121

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897

Telephone: 01-248 8000

Thursday July 5 1979

Making coal compete

NOT UNEXPECTEDLY, the latest increase in oil prices is being used by Sir Derek Ezra, chairman of the National Coal Board, as an additional reason for developing and expanding the British coal industry. Addressing the annual conference of the National Union of Mineworkers yesterday, Sir Derek called for a "consistent and positive policy" towards the industry, based on the Plan for Coal which was approved in 1974. This envisages an increase in deep-mined output to 120m tonnes in 1985 and, more speculatively, to 150m tonnes by the year 2000; last year's production was 107.5m tonnes.

Criteria

The Conservative Government is broadly in favour of a substantial investment in coal, but the important question is whether the coal industry's share of the energy market should be determined by its own efforts in competing for customers or by protection against imports, subsidies and other forms of discrimination. In principle there seems no reason why the same commercial criteria which, as we argued yesterday, are applicable to British Steel should not also be applied to the National Coal Board. The Government's objective should be an efficient, productive and profitable coal industry which can hold its own in the marketplace without artificial props.

If this objective is to be achieved, there will need to be a clearer understanding of the industry's competitive position than has been apparent at this week's NUM conference. Although Mr. Joe Gormley, president of the NUM, warned his members against threats of confrontation which would frighten their customers into looking for alternative suppliers of coal, this did not prevent the conference from approving unanimously a demand for very substantial wage increases to take effect from November 1, eight months after their last settlement; the rises being proposed range from 30 to 65 per cent, which would imply an increase in the average pithead price of coal of £7 to £23 a tonne.

Disappointing

Conservative Ministers are unlikely to disagree with the proposition that coal miners should be high up in the wages league table and perhaps even at the top of it—but only on the basis of greatly increased productivity. In February of this year Coal Board officials told the Select Committee on Nationalised Industries that the bonus scheme was having a favourable effect on productivity, but in recent months the trend has been disappointing; both output and output per manshift have been slipping. It appears that in some areas the bonus scheme was drawn up in a way which provided substantially higher payments for little, if any, improvement in performance.

Sir Derek Ezra admitted yesterday that the industry was not getting the output it should be getting from its available capacity; public confidence in the industry would diminish if this situation persisted. It is clear that the existing arrangements do not provide the incentives which are needed and that the scheme will have to be re-negotiated.

At the same time the union appears to be hardening its line on the closure of uneconomic pits. Intense opposition has built up to the proposed closure of the Deep Duffryn pit in South Wales; a strike of all Welsh miners has been threatened. Yet the goal of a high-wage, high-productivity industry cannot be attained as long as the Board's financial performance and competitive ability are weighed down by the burden of old, loss-making pits.

Redundancy

The industry must concentrate production and new investment on the more productive areas; under the Plan for Coal, Sir Derek Ezra has said, some 2m tonnes of old capacity is assumed to be going out each year and some 3m tonnes of new capacity coming in. Clearly the rate at which old pits can be shut down has to take account of availability of other jobs in the affected regions, but it is possible that if the scale of redundancy payments were improved, on the British Steel pattern, thec losure of obsolete capacity could be speeded up.

Thus the latest increase in oil prices does not relieve the coal industry of the need to make itself more efficient. What it does do is to create a more favourable trading environment in which the necessary changes can be implemented. That Britain has large reserves of coal is an asset, but one that has little market value if costs are too high and supply unreliable. The best way to safeguard the long-term future of the industry is not to protect it by subsidies and import controls, but to make it compete; this means, among other things, setting realistic targets for the achievement of commercial viability.

Using skills to full potential

SKILL SHORTAGES, even at times of high unemployment, are often quoted as a reason for the poor performance of British industry and as evidence of the inflexibility of Britain's labour market. A joint report produced by NEDO and the Manpower Services Commission (MSC) yesterday, indicates that they are not just tired excuses. In certain areas they are a serious impediment to production.

Unfilled vacancies for certain key engineering tradesmen—for example, tool makers, lathe operators and instrument mechanics—have shot up by 84 per cent since 1972, despite a near-doubling of total unemployment in the same period. In fact, unemployment in these occupations has actually fallen by 7 per cent during the current recession and all engineering vacancies now take twice as long to fill as in 1973.

Alarming

A survey of engineering employers in and around Reading, a booming industrial area with unemployment well below even the relatively low South Eastern average, produced some alarming findings. Almost three-quarters of the firms surveyed claim that labour shortages are disrupting their businesses. Contracts are not completed in time, production has to be reorganised and management wastes much valuable time on recruitment. Statistics bear out employers' subjective evidence. Many firms have one vacancy for every five skilled men they employ and most engineering vacancies at Job Centres take over three months to fill.

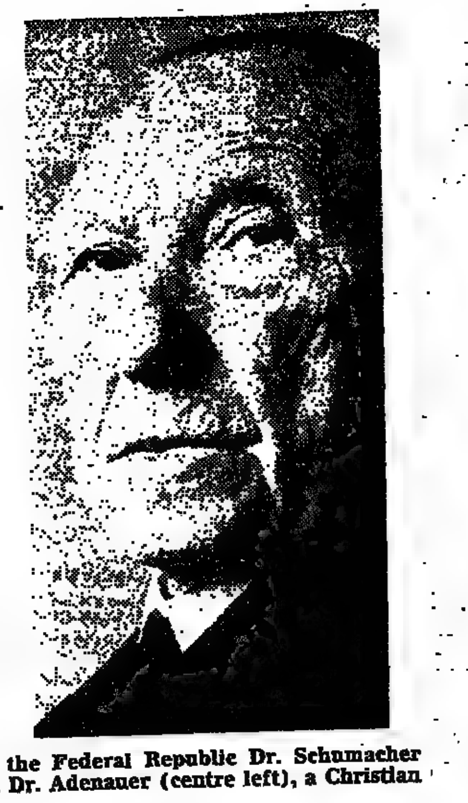
Some firms have succeeded, according to the survey, in renegotiating their working practices and reorganising their production to enable semi-skilled jobs to be done by unskilled labour, while semi-skilled workers are trained to do jobs previously reserved for craftsmen. But many employers are still not making optimal use of their existing craftsmen, while complaining of labour shortages. Union opposition seems not to be a valid excuse in most cases.

Unions have generally been co-operative, provided their own members' pay and security has not suffered, which the tight labour market has guaranteed. The story in other regions is very different. In Scotland and the North, the MSC has found that unions persistently oppose employment of government trainees, without apprenticeship experience, and of internally upgraded craftsmen. Equally, managements in areas where skill shortages are still rare, consistently under-use the skills in their labour forces.

Clearly there is much that managers can do to overcome skill shortages. Improving pay differentials must obviously come first. In 1978 skilled workers in the engineering industry were paid only 19 per cent more, on average, than unskilled workers, compared with a difference of 45 per cent in 1967. But much can also be done to enhance the status and working conditions of manual workers generally. Most managers agree that there is little justification for the many distinctions in fringe benefits and personal policy between clerical and manual workers. But there is a feeling that the impetus towards equal treatment should come from the unions. In fact the opposite is true. The improvement in workers' morale could well be greater if it is management that initiates an upgrading in working conditions, as many non-unionised companies have found.

Solutions

Retraining on the job would also help to adapt the structure of the labour force better to the complex manufacturing tasks in which the British economy should increasingly be secialising. Government and employers organisations can make some contributions to curing the problems of skill and labour utilisation. But the main solutions — pay, production management, training and personnel policies—are the responsibilities of individual managers and shop stewards.

In the early days of the Federal Republic Dr. Schumacher (left), a Socialist, and Dr. Adenauer (centre left), a Christian Democrat, were bitter rivals. Their battles may be renewed between Chancellor Schmidt (right) and Herr Strauss (centre right).

Strauss and Schmidt: the battle royal to come

By JONATHAN CARR, Bonn Correspondent

IS WEST GERMANY swinging strongly to the Right after a decade of Social Democrat-Liberal Governments? Could it be that next year's general election will bring a change of political direction at least as sharp as that which Britain has seen with Mrs. Margaret Thatcher's Conservative Government.

Evidence supporting this is not hard to find. The clearest example is the election this week of Herr Franz-Josef Strauss as the opposition's candidate for the chancellorship next year. His victory seems bound to mean a shift away from the kind of moderate (some would say milk and water) alternatives to government policy which the opposition has so far offered towards a series of sharper choices presented to the public in a much more dramatic style. On Tuesday, still glowing from his electoral victory in the parliamentary group of the opposition, Herr Strauss promised to strain every nerve to oust the coalition Government under Herr Helmut Schmidt, and to bring about a political sea change in the Federal Republic. No one doubts his word—whatever they may feel about his aim.

But Herr Strauss's election does not of itself mark the start of a shift to the right either within the opposition itself or in West German politics. It is more true to say that the trend has long been there, but has now become apparent in what for West German politics has been a dramatic way. Herr Strauss's Bavarian Christian Social Union (CSU), for all its bucolic self confidence, is too small to force the big brother party, the Christian Democratic Union (CDU), down a path it was not already veering towards. The CDU's own weaknesses of leadership have contributed to Herr Strauss's victory. But those weaknesses themselves appeared all the greater because of the success of Herr Schmidt—the personification of a strong leader of the political centre. To many people it had long seemed that the CDU in power would try to follow policies similar to those of Herr Schmidt, and would do so less effectively.

Pragmatic approach

This dilemma has faced the opposition since 1974 when Herr Schmidt succeeded Herr Willy Brandt as Chancellor, ushering in a notably tougher, more pragmatic approach to government after what has become known as the "social reform euphoria" of the first four yexrs of the coalition. The change was not due solely, or perhaps even primarily, to differences of personality between Herr Brandt and Herr Schmidt. It was more an inevitable belt-tightening extending to economic, financial and social policy after the oil-price explosion of 1973-74. The shift from leftish reform to centrist policies on the Government's part, has gradually been matched by a swing right within the opposition which has finally put Herr Strauss on top.

The same trend has brought other notable changes in Bonn. The new President, Professor Karl Carstens, who took office this month, is a CDU man and longstanding associate of Herr Strauss. The presidency is a non-party office and its powers are limited. None the less the President can establish a style and set a tone which can influence both politicians and the country at large. It is already clear that Professor Carstens's approach will be markedly more conservative than that of his predecessor, Herr Walter Scheel—a former Vice-Chancellor and one time leader of the liberal Free Democrats (FDP), the junior partner in Herr Schmidt's coalition. It is also worth noting that the new President (or speaker) of the Bundestag is Herr Richard Stuecklen, a CSU party colleague of Herr Strauss. Further the Bundesrat, the upper house consisting of representatives of the Governments of the federal States, has long had a CDU-CSU majority, often making difficulties for the passage of government legislation.

Given all this, is it really to be excluded that the same trend might yet carry Herr Strauss into the Chancellery by the end of 1980? And, if so, would it be a catastrophe both for West Germany and its partners, as Herr Strauss's political opponents say?

Opinion polls suggest that Herr Strauss stands little chance—but they were taken before his ascendancy within the combined CDU-CSU, which itself creates quite a new situation for voters. Those of the Left or Centre-Left in the CDU, who might have been expected to abhor Herr Strauss, and perhaps even to lead a splinter movement against him, are tending to fall in behind him. Admittedly some do so because they feel that Herr Strauss will lose in 1980 all the same—and that the CDU-CSU at national level will then be rid of him once and for all. But there is a clear movement to close ranks behind the new leader.

The same goes for the SPD-FDP coalition. It has undergone many strains over the year, and the Liberals have at times toyed with the idea of breaking away to ally with a moderate CDU. The spectacle of Herr Strauss being put forward to be Chancellor has united the government camp better than almost anything else could have done. The battle lines are quite clear.

It could easily have been otherwise. Had Herr Strauss been rejected by the CDU, he might well have expanded his CSU beyond the confines of Bavaria, to which it is at present confined, run his own election campaign and sought support from as many small groups as possible. There are plenty of them these days—from tax reformers to environmentalists who feel their concerns are not taken seriously enough by the big parties.

Uncomplicated choice

Herr Strauss could not have won a majority in this way. But he could have set off a political chain reaction, perhaps causing the collapse of the Liberals as a parliamentary force at the next elections, and thereby the break-up of the current coalition with no clear alliance to replace it. This nightmare (for many Germans) has almost certainly been avoided. Instead voters will be faced with the relatively simple choice between Herr Strauss as irresistible force and Herr Schmidt as immovable object.

There is no question but that the country is in for an exceptionally tough and perhaps bitter election campaign. Some of the comments from both political camps suggest that the campaign may, unofficially, already be underway.

It is also clear that not all the cards are in Herr Schmidt's hands. At home, economic growth is stronger than expected this year, but the forecasts for 1980 were less optimistic even before the latest oil price increase. The very last thing the Government wants is a marked economic turndown before the election, accompanied by increased inflation. It is conceivable that it could be facing precisely that. The inflation rate is already around 4 per cent and is likely to be close to 5 per cent by the end of 1979.

Those are modest amounts by international standards, but very worrying to Germans. They imply that wage bargaining will be much tougher this winter than last. New problems are also looming over the financing of pensions—to foreigners a relatively esoteric matter, but in fact a topic over which Herr Schmidt has once come close to resignation.

The opposition under Herr Strauss seems certain to press the Government far more toughly than under his predecessor not only on these domestic matters but on foreign policy too—notably keeping East Germany at arm's length and the threat to the West posed by Soviet intermediate range nuclear missiles.

That said, it should also be stressed that the upshot need not be harmful to West German democracy. Much of West German mainstream party politics has become dull for lack of dynamic leaders and persuasive orators. Herr Schmidt is both—but he often stands out in Bundestag debates not so much because of his own qualities, but because of the paucity of talent around him.

The Bundestag can rise to a special occasion. Tuesday's debate on the statute of limitations on murder was one such case. With gravity and well-reasoned arguments from both sides, the house agreed—albeit by a fairly small majority—that prosecution of Nazi murderers must continue, however difficult it might be to obtain convictions more than 30 years after the war. The Bundestag behaved as though the eyes of the world were upon it—as they were.

Nationalist reminder

Herr Strauss has the power to compel attention, he has the experience (like Herr Schmidt, as a former Defence and Finance Minister) and he has the oratory. He has at times been drawn as an intense nationalist harking back to an unhappier German era — a picture very hard to support with evidence.

It is correct, though, that a lack of self-discipline has told against him throughout his long, in many ways brilliant, career. It could be his undoing.

In any case it is hard to resist a certain thrill of anticipation looking forward to the collision between these two old rivals. There has probably been nothing like it in the Federal Republic since the earliest days in 1949 when the Christian Democrat, Dr. Konrad Adenauer, and the Social Democrat, Dr. Kurt Schumacher, fought it out for leadership in a re-born German democracy.

MEN AND MATTERS

Miners take to the boats

It took three attempts for Pat Du Cane, wife of the chairman of Selection Trust, to crack a bottle of Australian champagne on the bows of a yacht near Tower Bridge yesterday. Such contretemps during naming ceremonies are sometimes thought to be good auguries for a vessel's future.

Certainly, it is lucky for Michael Dunham and Jonathan Callow that the mining group has sponsored their 55 ft schooner for the Plymouth-to-Perth race starting next month. I gather that at first, Rio Tinto-Zinc talked of sponsoring them—like Selection Trust, RTZ has a big stake in Western Australia, whose 150th anniversary the race is commemorating.

But the indomitable Lady Chichester heard from Sir Charles Court, premier of Western Australia, of RTZ's intentions. She put forward the view that her son Giles, sailing Gipsy Moth V, would have a bigger public relations value.

Tossed overboard, as it were, Dunham and Callow—with their boat nearing completion in Exeter—approached Selection Trust three months ago. They impressed John Du Cane, a yachting man himself, accomplished as a navigator.

The two-masted Seltrust Endeavour was the first entry in what promises to be the biggest inter-ocean race ever staged. At least 40 boats from 12 countries are expected to leave Plymouth in the staggered start extending over four weeks.

Another mining group, Amex, is involving itself in the Parmelia Race (so named after the ship which took the first pioneers to Perth). But Amex is staying securely on dry land—organising the junketing at the start and finish.

At the naming ceremony yesterday I heard a Western Australian official being berated for the general standard of the anniversary celebrations (the yacht race excepted). "What about our Miss World Pageant on July 20?" he retorted. "That will get us exposure on TV in 51 countries."

"It's either Sky Lab or the failling dollar!"

Nearly right

By his own admission, President Carter's special envoy to the Middle East, Robert Strauss, has spent six weeks investigating in detail the problems of the area. Six weeks was evidently not long enough.

Among those leaders helping with his inquiries, he said in Cairo yesterday, was one "President Arafat and his government." Perhaps it is just as well that Jimmy has not yet officially appointed him to his post.

Van people

Tourists who make a return trip to London this summer may miss a long-familiar landmark—the flotilla of Volkswagen vans parked outside Australia House in the Strand, all for sale. Many are the temporary homes of young travellers from down under trying to raise the air fare home.

Tolerated for years by the police, the unofficial van market has finally been moved on. I found a new encampment in a quiet street behind the National Theatre. "It was all getting out of hand," admitted one Australian wanderer, who told me the fleet had recently swollen in size because many, like himself, could not afford the petrol to go any further.

The enforced new location has apparently caused some hardship to those down to their last traveller's cheque. Few people looking for a VW van yet know the market has crossed the river.

I found sympathy for the van people at Australia House was distinctly ambiguous. Incensed by the swamping of diplomatic parking bays, the Victoria Agent General, Sir Murray Porter, a few months ago, had discussions with the mayor of Westminster about ending the problem for good. "I think Sir Murray saw it as, er, sort of an image problem—of Australians being seen as used car salesmen," I was told by the First Secretary (Administration), James West. "He also saw it as a health problem—people were living in the vans for weeks on end."

Any comradely feeling was further eroded by a suspicion that many of the vans had never been further out of London than Watford Junction: "A very large percentage of the people selling vans are in fact English dealers," says West.

Going down

The only bankers in London more grumpy than Americans are Canadians, who have seen their salaries dragged down in even more dramatic fashion by the sliding currency at home. There can, as yet, be few who qualify for Family Income Supplement, but many must be envious of conditions at the Morgan Guaranty Trust Company of New York, whose expatriate staff—unusually—are paid local salaries in local currency, that is pounds—now worth $2.225, sixteen and a half cents more than two months ago. (The Canadian dollar has slumped by 23 cents in the same period.)

Morgan Guaranty does offer the choice of having a proportion of salary paid in dollars, but this has proved (quite accidentally) unpopular. "Every year since it was introduced in 1976," said a spokesman, "the pound has been rising during the two months people had to make up their minds."

Outside such havens, the years of weak sterling must be remembered by the majority of U.S. bankers in Britain as a paradise not soon to be regained.

Men of iron

A tightly-knit group of heavy-shouldered men have commanded attention at this year's Royal Agricultural Show—the farmers' beanfeast. They are the 20 representatives of the newly-formed British Artists' Blacksmiths' Association (BABA).

The association was formed by Stuart Hill of Claydon Forge, who made a lone appearance at the show last year. He acquired some notoriety then by offering hand-wrought chastity belts. Although he claims to have sold then in Scotland, the U.S. and South Africa they have been discreetly left at the forge this time.

Instead the artistic smithies are concentrating on foot-scrapers and iron paperweights shaped like frogs. Hill is in such demand that he is asking £140 for a set of fire irons.

Meal of the film

Possibly inspired by the efforts of the Commercial Rabbit Association to overcome general reluctance to eat its produce, a Belfast butcher has put up a sign outside his shop: "You've read the book, You've seen the film, Now eat the characters!"

Observer

'I thought the D.G.A.A. was only for the old. But they help the young as well.'

Most people who come to the Distressed Gentlefolk's Aid Association are elderly. The young can usually look after themselves.

But young or old, the DGAA gives help where it is needed. They help with allowances. Who wants to say good-bye to their friends and their household treasures to go into a Home?

The DGAA helps with clothing parcels. They help their large family a little more at Christmas. They see to things when some crisis upsets a careful budget. Only when people can no longer cope do they find a place in one of their Residential or Nursing Homes.

In whatever way the DGAA is called upon to help, they help with sympathy and understanding. As one of the younger ones says: "They're splendid. They never let you feel it's a charity".

Please help us to carry on. Our expenses are increasing every day.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AQ

"Help them grow old with dignity"

هكذا من الأصل

ECONOMIC VIEWPOINT

North Sea oil and Budgets still to come

WITH THE national genius for looking on the black side of everything, discussion of the oil "crisis" has centred on matters such as the likely setback to world trade or the effects on the cost of living. There has also been some discussion of the supposed "problem" of a rising rate for sterling, brought about by the UK's near self-sufficiency in oil. There has, however, been hardly any discussion at all of the greatly increased inflow of North Sea revenue which will accrue from the higher oil price.

For although people will pay more for petroleum products, the loss will be offset by oil royalties and tax revenues from North Sea oil profits, which accrue to the Treasury but really belong to the citizens of this country. Once the UK becomes a net oil exporter sometime in 1980-81, the real national income will be higher than if prices had not risen. Of course, there will be indirect repercussions from a more depressed world economy, but that is no reason for ignoring the direct gains.

Government revenues from North Sea oil have been slow to build up because of the financial concessions made to oil companies to enable them to repay development loans rapidly, but should soon begin to grow rapidly. They were officially estimated to reach £4bn by the mid-1980s before the last Government's changes in the tax requirements, and £4½bn after them. The sums were measured in "1977 prices."

Revenue base

A valiant attempt has been made to bring these figures up to date in the light of the oil price increases by Tim Congdon and Mick Suter in Messel's Financial Analysis, June 1977. They suggest that total revenue will be running at over £6bn by 1983-84. Most of the revenue will come from royalties and petroleum revenue tax. Corporation tax liabilities on a field-by-field basis overstate the amount of tax due and adjustment is made for this in Messel's revenue projections reproduced in the table.

If anything, the projections may be on the conservative side. For one thing, they stop at 1983-1984 well before the maximum point. Moreover, they assume a strong pound and a rapid fall in the inflation rate after this autumn's upsurge. If the pound is weaker than assumed, the sterling equivalent of any given dollar oil price will be higher — although not of course the real national benefit.

The Messel authors go on to estimate the resulting improvement in the Public Sector Borrowing Requirement in future years. They show a fall from the official estimate of £8.3bn in 1979-80 to just over £6bn in 1980-81, and to £3bn in 1983-84. The improvement is even more dramatic if expressed as a proportion of the National Product.

Obviously, the projections depend on other things apart from North Sea oil. The big drop in the PSBR in 1980-81 represents mainly the delayed impact of higher VAT rates. Taxes on expenditure are expected to yield an extra £6bn in 1980-81. Total public sector revenue is expected to rise in that year by well over £10bn, while compared with an expenditure rise of less than £8bn expressed in actual "non-funny" money.

Clearly, if inflation is worse than the modest rates assumed, both expenditure and revenue will rise faster, but the points about VAT and oil revenues will still apply. The key assumption is that the *volume* of public spending is at least frozen at its 1979-80 level.

The decline in the borrowing requirement will mean, of course, far smaller net sales of gilts; and the Messsel authors *have* no difficulty in showing how easy it would then be to achieve a *declining series of* monetary targets, moving down from the present 7-11 per cent target to 5 per cent by 1983-84. Because of the prospective liquidity squeeze in the present financial year, the velocity of circulation might well rise faster than normal for a time; *but in the course of the 1980s* it would settle back to its trend *rate of increase. The author* believes that price inflation could recede to 10 per cent in 1980-81 and to 5 per cent by 1983-84.

It would be tempting, but less than honest, for me to call on the Treasury to produce a monetary plan looking like the table entitled "Fiscal and Monetary Plan," but with its own figures if it does not like the *ones shown. But grateful though* I am to the Messel authors for their attempts to work out the effects of oil revenues and delayed VAT effects on the public sector accounts, *none of this is really needed to produce a monetary plan to stabilise or reduce the inflation rate, both directly and by affecting expectations.*

All that is necessary is the bottom line, the monetary targets themselves. *It will, of* course, be necessary to monitor *as many monetary series* as possible to check that banks are not using idiosyncracies in the definition of money, or loopholes in reserve requirements, to issue more "near money" substitutes. What has happened in the U.S. provides an awful warning here. The best *approach, as Gordon Pepper of* Greenwells has pointed out, is *to control the "monetary base"* (i.e., supply of reserves) which determines the possible expan*sion of the banking system.* The required reserve ratio should, as Mr. Pepper says, be "close to the prudential level" (so that avoidance is no longer profitable) and there should be a commercial rate of interest on reserve assets held at the Bank of England.

Even more important than any technical reform is that there should be a genuine official intention to limit the creation of cash — and not simply a desire by unbelieving monetarists to massage certain figures to keep the financial markets at bay.

The essential point, however, is that a series of monetary targets such as those shown in the bottom line of the table are a *necessary condition for controlling inflation in any case.* Indeed, if Governments are not seen to be committed to such objectives, there will be precious little hope even of holding the rate of inflation steady, let alone of reducing it.

Assets famine

For the pure purpose of *monetary control* the Messel PSBR projections are far too severe; indeed, as the authors themselves point out, sales of public debt would then be so low that corporate and private sector savers would experience a famine of domestic financial assets. The real reason for *reducing the PSBR so much is* to enable the private sector to *purchase overseas assets. This* would be a sensible way of providing for the exhaustion of that giant depleting asset, North Sea oil. This requires not the relaxation, but the *immediate shelving* of all exchange control, which should be put on a standby emergency reserve *basis only.*

Once the UK Government's borrowing is seen as a small part of an international capital market, the link between fiscal *and monetary policy* becomes very much looser. The decision about how large a Budget deficit to run becomes a matter of whether the country concerned wants to be a net lender or borrower overseas. Herr Hannes Androsch, the Austrian Finance Minister, who is seeing Sir Geoffrey Howe today, has had a lot of experience in financing large Budget deficits by non-inflationary means through over*seas borrowing. The UK Govern*ment, which will be in an opposite position, could have a very small Budget deficit without an excessive monetary squeeze, if it removes unnecessary market barriers.

But supposing I am wrong on this point, and that there is in a country like the UK as close a connection between the budgetary accounts and the money supply, as traditionally *assumed. It still does not follow* that the difficulty of predicting the PSBR should hold up the publication of long-term monetary targets for a single day. The Budget balance in future years is a matter of policy, not just forecasting. If attempts to finance the PSBR without "printing money" drive up interest rates, then public spend*ing must be cut or taxes in*creased, irrespective of whether the source of trouble is a bad forecast of the PSBR or a bad estimate of the size of PSBR which can be financed without strain. To lapse into a little jargon: the money supply is a *target variable*, the PSBR merely a *control variable.*

But I have still not come to my final doubt about fiscal projections based on Government oil revenue. The conventional discussion assumes that the oil *revenues are at the disposal of* the Chancellor to use responsibly by reducing the Budget deficit or irresponsibly by cutting the basic income tax rate to 25 per cent. But they are not in fact that kind of revenue at all.

They are an economic rent collected from the North Sea companies in return for being allowed to exploit a highly profitable national resource. The Government's role *is* that of a trustee for the citizens of this *country;* and its task should be to hand over the revenue on a pro rata basis to its citizens who are the real "owners" of the oil resources. Having done this the right to a share in North Sea revenues should then become transferable in the market place.

The increase in oil prices *has increased the importance of* the detailed proposal for "A People's Stake in North Sea Oil" since Barry Riley and I put forward this proposal in Lloyds Bank Review in April, 1978. The point to emphasise here is that North Sea revenues have nothing to do with the *normal fiscal decisions of a* Chancellor. They do not arise *from* the prudential management of either expenditure or taxation. The Treasury's objection to "hypothecation of revenue" was invented long before it became a landlord—or rather the landlord's agent—for the North Sea; and no longer has force today. To muddle together the management of North Sea revenues with the *rest of the Budget,* is as detrimental to the Chancellor's own fiscal control as it is to outsiders trying to assess his conduct of affairs. North Sea oil is merely part of the national income which has to pass through the *Chancellor's hands for considerations of convenience.*

The resulting revenues are not the Chancellor's to dispose even in the *limited sense in* which normal tax receipts, or the fruits of public spending economics, can be said to be his.

We need both to control the money supply and give North Sea oil revenue to the people. But the two issues are distinct. I have covered them in a preliminary way in a single article, mainly because they are brought together in the official arithmetic *and in the independent* estimates which have to follow the conventional presentation.

Samuel Brittan

A FISCAL AND MONETARY PLAN

(£bn)

	1979/80	1980/81	1981/82	1982/83	1983/84
Public sector borrowing requirement	+8.3	+6.1	+5.5	+4.3	+3.1
Public sector debt sales to non-banks	−8.2	−5.8	−5.3	−4.1	−2.9
Bank lending to private sector and overseas	+5.6	+5.3	+5.0	+4.6	+4.3
External and foreign currency finance	nil	nil	nil	nil	nil
Increase in non-deposit liabilities	−1.0	−1.0	−1.0	−1.0	−1.0
Increase in sterling M3	+4.7	+4.6	+4.2	+3.8	+3.5
Outstanding sterling M3 at beginning of year	51.3	56.0	60.6	64.8	68.6
Percentage rise in sterling M3	**9.2**	**8.2**	**6.9**	**5.9**	**5.1**

Source: L. Messel and Co., Financial Analysis, June 1979

POSSIBLE GOVERNMENT REVENUES FROM NORTH SEA OIL

(£m)

	Royalties	Petroleum revenue tax	Corporation tax	Adjustments	Total
1970/71 to 1975/76	65	—	30	—	95
1976/77	70	—	10	—	80
1977/78	230	—	10	—	240
1978/79	355	180	25	—	560
1979/80*	430	820	670	− 300	1,620
1980/81*	780	840	1,140	− 550	2,210
1981/82*	1,020	1,350	2,260	−1,150	3,480
1982/83*	1,150	2,420	2,870	−1,410	5,030
1983/84*	1,300	3,220	3,080	−1,470	6,130

*Forecast

Sources: Financial Statistics; Treasury Economic Progress Report, October 1978; L. Messel and Co. estimates

Letters to the Editor

Cutting steel down to size

From Dr. J. M. Kay

Sir,—Your report (July 2) of the rejection of the plans of Sir Charles Villiers by a majority of the British Steel Corporation Board is not altogether surprising in view of the present composition of the Board. The full-time executive members (apart from the chairman) are the very people who were responsible for setting up the present over-centralised structure which has proved so disastrous both in its production record over the past five years *and in its commercial consequences.* The employee directors have failed to understand that by supporting the present over-blown BSC organisation they are acting against the real interests of the majority of shop-floor workers in the industry.

If the present policy of over-centralisation is continued, with a *diminishing* production being concentrated in a small number of *inflexible* and *high capital-cost* plants, the result will simply be a further loss of domestic market share, higher levels of imported tonnage of steel products, and fewer jobs for steel industry workers in the UK. The economies of scale have proved to be an illusion. What is now required is a return to competitive trading with BSC broken down into a number of completely autonomous operating companies of manageable individual size. The Corporation itself should be no more than a state-owned holding company.

J. M. Kay.
Church Farm, St. Briavels, Nr. Lydney, Glos.

Coal workers' co-operative

From Mr. A. Holland

Sir,—There is a radical solution by which the Government could defuse the whole issue of the miners' pay claim as this, together with the Ford workers, tends to set the rate for the rest of the *country.*

Let the Government give the coal mines, lock, stock and barrel, assets and liabilities to the National Union of Mineworkers and let it get on with it.

It is beyond question that the outlook for coal is excellent, if only the miners would *dig it* at a rate even remotely approaching that of *other countries.*

There would be two important *provisos*—the Government, with the aid of a strong pound, would free the import of coal subject to normal anti-dumping tariffs and the mines could not be disposed of to foreign buyers.

As a first step, the Coal Board should be split into companies on an area basis so that those areas, which really were determined to make a success, could do so and those which were hell bent on living off the backs of the community would go to the wall as a result of their own failures.

Each company faced with free market forces, could fix its own price, wages and policies and if it needed to raise cash, it would have to do it on a normal commercial basis.

This would be a workers' co-operative on a massive scale but one can hardly say that 30 years of public ownership of the coal mines has been a success and this scheme could be a last chance to bring back productivity and prosperity to the coal industry at a time when we need more coal.

Anthony D. R. Holland,
7-8, Warwick Street, W1.

Shipbuilding must not die

From Mr. J. Francey

Sir,—As a manufacturer of ships' deck equipment I have noted with dismay the almost indecent haste with which the Government, which many of us believed would put new life into our industries, has an*nounced a commitment to fur*ther contractions in the UK *shipbuilding industry.*

My view is that there are men in the management side of shipbuilding who could advise of ways and means whereby this important industry could not only be retained but made to expand. I do not know what proportion of Mrs. Thatcher's trade advisers have a shipbuilding background, but those who have would be able to tell her that only about 25 per *cent of a ships' construction is* local to the shipyard. This *means that every shipyard that* is closed reduces employment in areas far removed from shipbuilding regions, and the entire economy, including research and development of many engineering trades, is affected adversely.

Most of our present economic difficulties have been caused by lack of political foresight rather than *industrial intransigence.* Self-inflicted wounds *caused by cutting ourselves off* from raw materials supplies to please some insincere political agitators have lost us those trading advantages won for us by past generations. The Conservative Government may lack the courage to redress certain situations, but there are things it can do, and that with a clear mandate: it can encourage those who have ideas for keeping our traditional industries alive until international trading revives. Shipbuilding is one that no island dweller should allow to die.

John B. Francey.
59, Aytoun Drive, Erskine, Renfrewshire.

Exchange deals

From Mr. I. Brown

Sir,—*The suggestion* in the final paragraph of your editorial *on June 27 cannot pass* without comment. You apparently endorse an International Monetary Fund staff proposal that central bank intervention should be targeted, where necessary, on forward rather than spot rates. Although this may possibly have been done some few years ago before the foreign exchange market as we now know it came into being, it is not, in today's market, a viable proposition.

Let us first accept the premise that forward exchange *rates are* not the market prognosis for future spot rates but *simply the* reflection of the different earning capacities of *the currencies* involved in the Euromarkets. *Hence there are only two sorts* of exchange deals — open purchase of one *currency* against another for whatever value date, *or the simultaneous* sale/purchase of currencies spot against *forward,* which is generally no more than the lending of one currency and the borrowing of another. Therefore, central bank intervention in forward rather than spot "outrights" would result in either exactly the same effect as intervention in the spot, or continuing chaos in the spot with the added problems of enormous fluctuation in the *de facto* interest rates of the currencies involved, which would compound the problems. The *only possible glimmer of* justification is that central banks not having to immediately settle would remove their immediate problems associated with reserves/money supply.

I. D. Brawn.
Poppinjay Cottage, Mill Lane, Great Bardfield, Essex.

Earnings on equity

From Mr. D. Damant

Sir,—On June 25 Lex referred to the article in the Financial Analysts Journal on the return on equity capital by Modigliani and Cohn. It cannot be emphasised too often that Professor *Modigliani assumes that in an* inflationary environment companies are able to adjust their affairs and especially their prices to take account of the decline in the value of money. Yet this is manifestly not the case in view of Governmental pressures on prices and other company decisions and the effects of competition.

Furthermore, the relevant figures at anything like the recent rate *of inflation become* alarmingly high: the rate of return required by shareholders in order to maintain their stake in the company soon becomes unrealistic; for which reason, among others, companies are likely to reduce their pay-out ratio, as noted by Professor *Basil Moore* and reported in Lex. And this is quite apart from the enormous increase in risk which faces a company once inflation begins to have a significant impact.

These considerations have a wider significance in that the destruction of balance sheets by inflation rates such as those seen in recent years calls into *question the usefulness of any* concept of earnings on equity. It is not simply that in extreme conditions a highly geared company can give excellent gains in wealth for the shareholders the day before it goes bankrupt (as is commonly remarked in discussions on inflation accounting); it is that the fundamental deterioration is at work much *earlier—not only* earlier than Professor Modigliani assumes but also, perhaps, than ED24 assumes. This being so, a new concept in place of earnings is required.

D. C. Damant,
Clive Investments.
1, Royal Exchange Avenue, EC3.

Benefits and wages

From Professor P. Minford

Sir,—There are manifest contradictions in Mr. Kaletsky's article of June 27.

He states that the cause of unemployment is lack of demand for British goods. In the same article there is an inset describing a man (from the "archetypal industrial region," the North West) who is voluntarily unemployed because wages are too low relative to the benefits he gets. On the back page, too, we are told that the Post Office has an acute shortage of staff—it needs about 7,000 people—because its wages are not attractive.

The unvarnished—and perhaps unpalatable — truth is that the state has been supporting a significant segment of the population with social security benefits at levels dangerously close to, if not higher than, the wages net of tax they could get at work. It *is not surprising therefore that* large numbers of people have *opted* to be "unemployed," draw their benefits and perhaps pick up some cash through undeclared work. The recent raising of tax thresholds should however help to alleviate this problem, and so should the proposed legislation to index benefits to prices (and not to the higher of wages and prices as previously).

Mr. Kaletsky's conclusions, as Mr. Godley's, that the "solution *to unemployment*" lies in a massive injection of "demand" through devaluation, import controls or some other unspecified governmental "rise to the challenge" (an industrial strategy?), simply miss the point, and if adopted, would severely compound Britain's problems.

Patrick Minford,
Liverpool University, Eleanor Rathbone Building, Myrtle Street, P.O. Box 147, Liverpool.

Calculating oil reserves

From Mr. C. Thompson

Sir,—Oil reserves are closely related to production profitability, although it would probably be more accurate to say that reserves are *a direct function* of the money and effort anyone is prepared to invest in exploration and production. *Logically,* this should mean that reserves increase as the value of the product (and hence the justifiable production cost) increases.

The likely reason why the fourfold increase in crude oil prices, in 1973-74, did not result in a very substantial jump in reserves is that petroleum agreements and legislation were modified at that time, to maintain oil company margins roughly at pre-1973 levels. As these same companies are still largely responsible for calculating and reporting producible reserves, it is not surprising that the subsequent adjustments in reserves have been limited.

From the producing countries point of view, as well as in the context of world-wide energy predictions, reserves reports by industry have become increasingly irrelevant; a more meaningful figure for these purposes would be the amount of oil which could be extracted if production and exploration costs were to approach the current oil price, or even the cost of alternative sources of energy.

Unfortunately, the calculation of reserves is highly specialised work. The only short-term hopes for more meaningful reserves on which to base international energy policies is if operating companies in the producing countries can be persuaded not only to report reserves on the basis of their own economies, but also to make a guess as to how much oil could be found and produced if costs were to approach the value of oil and for the cost of alternative sources of energy.

C. Thompson.
Oakvale, 83, Watford Road, Kings Norton, Birmingham.

Today's Events

GENERAL

UK: Mr. Gordon Richardson, Governor of the Bank of England, gives opening address at international conference of banking supervisors, London (until July 6).

Public hearings on accountancy standards start in Glasgow.

Post Office Engineering Union executive meets to discuss pay claim.

National Union of Mineworkers conference continues, St. *Helier Jersey.*

National Union of Railwaymen's conference continues, Paignton, Devon.

Lord Beswick, British Aerospace chairman, speaks at Scientific Instrument Manufacturers' Association lunch, London.

The Queen presides at 1,000th anniversary meeting of Tynwald, *Isle of Man;* commemorative gold coins issued by Manx Gov*ernment.*

Henley Royal Regatta opens

Overseas: President Carter announces energy conservation plans. EEC Commission and member Governments discuss shipping conference activities.

Mr. Robert Strauss, U.S. special ambassador, at West Bank autonomy talks, Alexandria, Egypt.

Organisation of African Unity *meeting opens, Monrovia (until* July 12).

PARLIAMENTARY BUSINESS

House of Commons: Finance Bill, committee. Motion on the St. Vincent Termination of Association Order.

OFFICIAL STATISTICS

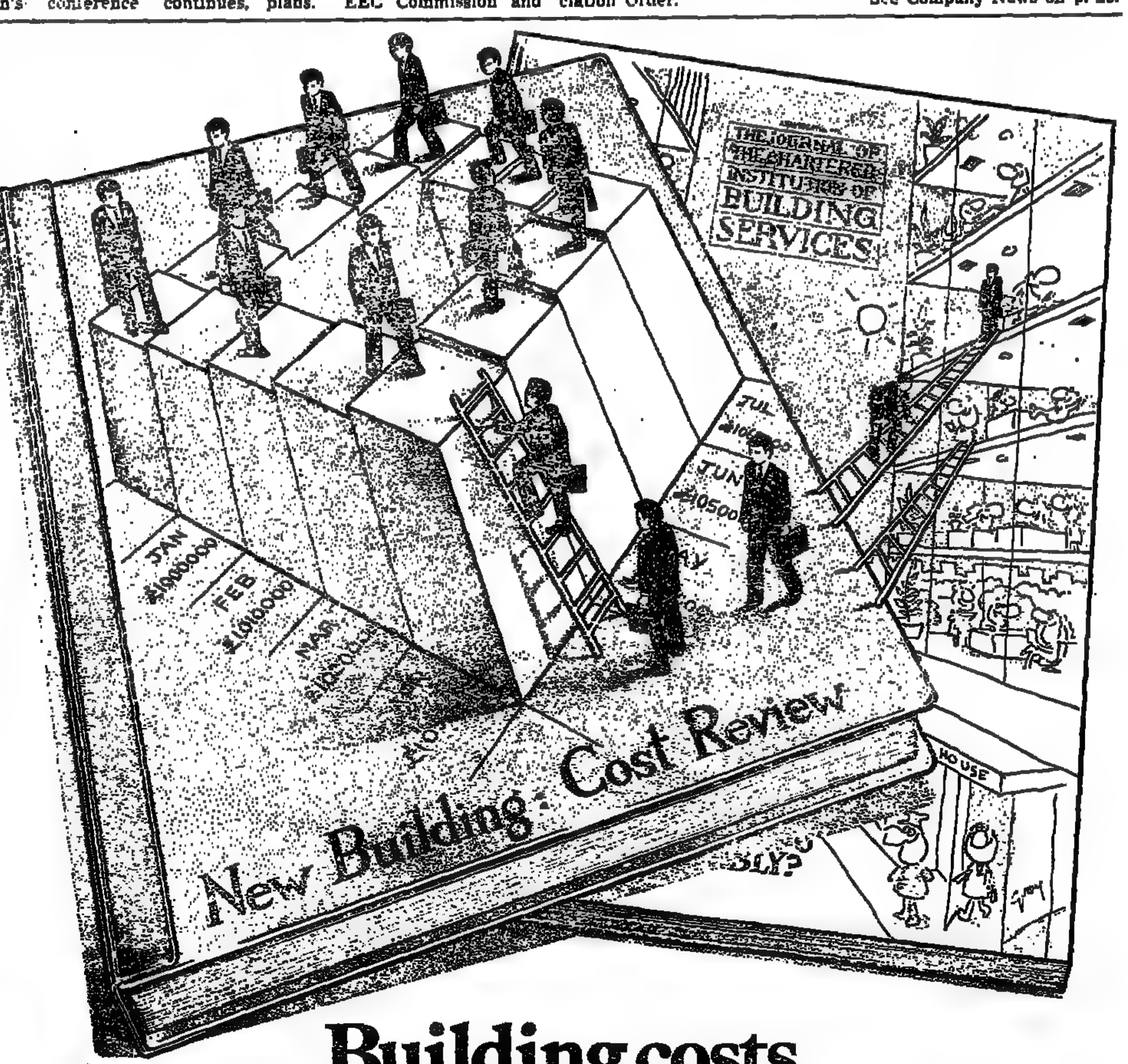
Housing starts and completions (May).

COMPANY RESULTS

Final dividends: Burtonwood Brewery Company (Forshaws). Electronic Rentals Group. Greene, King and Sons. General Electric Company. *Routledge* and Kegan Paul. Scottish and *Newcastle Breweries. Tex* Abrasives. View Forth Investment Trust. **Interim dividends:** Birmingham Pallet Group. Gough Cooper.

COMPANY MEETINGS

See Company News on p. 25.



Building costs won't stop going up. But you can control them.

No one's going to stop building costs going up for a while yet. But contrary to the impression you may have got from certain well-publicised contracts, costs *can* be kept under control – and a lot of the people who know how to do it are working for Bovis.

Bovis save you money in two ways; by not wasting time and by technical ingenuity. When we re-constructed half of the former Biba building in Kensington for Marks & Spencer we finished in time for Christmas 1977, *over a year* earlier than orthodox methods would have achieved.

The architects for the IBM building at Greenford thought the job nearly impossible, but perhaps Bovis could do it. The go-ahead came on January 16, 1977; we were on site by February 1, delivered the first phase a month early and the whole £4 million worth in just 13 months.

What Bovis contribute is, above all, management. If you would like to know how our methods could save *you* money, get in touch with John Gillham on 01-422 3488.

Bovis Construction Limited,
Bovis House, Northolt Road, Harrow, Middx. HA2 0EE.
Telephone: 01-422 3488.
Please send me details of your services.
Name
Company
Address
Tel:

Bovis

Sainsbury sales to date keeping ahead of budget

SALES of Sainsbury's, the supermarket giant, have kept ahead of budget in the current year, with the company maintaining a "satisfactory profit margin."

This was achieved despite intense competition, Mr. John Sainsbury told shareholders at the company's annual general meeting yesterday. He also put forward proposals for the introduction of a profit sharing scheme and disclosed the tentative development of an export division.

Since last year, Sainsbury's has been trying test shipments to the Middle East and the Far East over a range of its own label products. But he stresses that this is only a "limited experiment" and results would be reviewed within the next few months.

Meanwhile, he identified the three greatest areas of concern for retailers as employment problems, the energy crisis and inflation.

The Price Commission, he says, had made it more difficult for Sainsbury's to hold down or delay price rises by "giving its blessing to increased prices." He welcomed the end of the Commission and the Government's policy of depending on competition to keep prices as low as possible.

As a result of its energy saving programme, electricity costs were about £1m lower in the current year than they would otherwise have been.

Proposals for the introduction of a profit sharing scheme were also put forward by Mr. Sainsbury. This was done with the objective of "developing the closest possible staff commitment to the company."

The scheme is related to performance and does not depend on the discretion of directors each year. Distribution to each participant will be linked directly to net margins and pre-tax profit.

No figures have been given by the company on the level of exports though the group's marketing director, Mr. Peter Davis indicated that a "significant" amount had been exported. So far initial results are said to be quite encouraging.

HIGHLIGHTS

The performance of sterling is still making headline news and Lex takes a look at two aspects of exchange controls. Companies are still not allowed to cover their transactions forward and this is a facility which they undoubtedly are interested in. Secondly the Dollar Premium has slipped to a very low level and there is now widespread speculation that the Government could move quickly towards further relaxations here. **Charter Consolidated** has kept earnings up by heavy sales from its portfolio but the Cleveland potash mine is still making substantial losses and has been written off for over £20m. Finally Lex comments on the **BAT/Unilever** retailing deal which looks like good news for the latter. Elsewhere Shaw has done well in a difficult market, but Waddington has been badly hit by the Videomaster acquisition which made losses of £1m.

Freddie Mansfield

Mr. John Sainsbury, chairman of Sainsbury's in the fresh produce department of the Fulham branch.

Near £1m rise by Shaw Carpets

SECOND-HALF pre-tax profits of Shaw Carpets were below directors' expectations, showing a fall from £1m to £696,000. However, a strong performance in the first six month meant that the company finished the year ended April 27, 1979, well ahead from £699,000 to a record £1.65m.

Full-year sales were £5.78m higher at £30.83m, of which exports accounted for £6.94m (£5.93m).

Mr. James Hartley, the chairman, explains that second-half profits were hit by the bad winter, the road haulage strike and most significantly, by secondary picketing of the company's transport fleet.

The sales and profits lost cannot be precisely quantified, but were substantial, Mr. Hartley states.

Nevertheless, he regards the year's results as most satisfactory, and adds that the improvement comes at a time when the carpet industry worldwide continues to suffer from over capacity.

However, the Board feels that the group is well placed to make further progress.

Millitron, a computer-controlled dye-injection machine for colouring and patterning carpets, is making a significant contribution to profits and there is plenty of scope for further improvement, the chairman reports.

Regarding dividends, he says that the board's aim is to ensure progressive and at least maintained payments. Consistent with this aim, and with the need to retain adequate finance for future profitable growth, a 3p final is recommended, which lifts the total from 2.5138p to 4p net. Earnings per 10p share jumped from 3.8p to 16p.

Following the recent scrip issue of second preference shares, a one-for-one scrip in ordinary shares is also proposed.

	1978-79 £000	1977-78 £000
External sales	30,831	25,053
Trading profit	2,878	1,872
Depreciation	1,012	889
Interest	221	284
Profit before tax	1,645	699
Taxation	126	337
Net profit	1,519	362
Preference dividends	95	28
Available ordinary	1,424	334
Ordinary dividends	356	221

Depreciation of £1.01m exceeded capital expenditure of £713,000, and there was an overall cash improvement of £1.75m. The board is confident that there will be further significant improvement during the current year.

• comment

Secondary picketing in January plus slow winter sales wiped some of the glitter from Shaw's latest results. But, in the face of flat domestic carpet sales and export markets hit by the strengthening pound, the company has done well. Better overall volume has helped but the main factor is the rapidly growing sales of up-market dye injected tufted carpet. In two years volume has grown from nothing to 20 per cent of total sales while, in value terms, these new carpets contribute roughly 30 per cent. In the coming year traditional tufted carpets sales will produce much the same contribution as last year, the up-market styles should do a little better and exports, aided by one or two new products could also improve. There are potential pressures on margins so profits may not be much above £1.7m in 1979/80. The shares, up 4p to 55p, have a p/e of 6.7 and a yield of 11 per cent.

£191,308 turnround at Toothill

The directors of R. W. Toothill, furniture manufacturer, report a £191,308 turnround in the year ended March 31, 1979 from a £119,186 loss to a pre-tax profit of £72,122.

And the company is returning to the dividend list with a 2.625p net per 25p share payment—last dividend was a 2.87775p final in 1976.

The directors say that the last quarter of the year was affected by national strikes and industrial unrest creating a lower level of demand. They add that trading prospects remain very unpredictable.

Turnover for the year finished ahead at £3.02m against £2.16m and the pre-tax figure was struck after depreciation of £92,712 (£84,779).

After tax of £32,438 compared with a credit of £69,792 previously, earnings are shown as 5.67p (7.05p loss) per share.

Second-half decline hits English Card

A SECOND-HALF downturn from £1.75m to £1.57m left the taxable profits of English Card Clothing Company for the year to March 31, 1979, lower at £2.68m, against £2.76m. Turnover went ahead from £19.09m to £19.88m. But the total dividend is being raised from 2.98p net to 4.9p with a 3.7p final.

At midway the group, which makes card clothing, control cables and iron and steel wire, lifted the surplus from £1.01m to £1.11m.

After all charges including tax of £1.32m, against £1.42m, the net profit comes out at £1.36m, compared with £1.34m. Stated earnings per 25p share is 21.2p (21.4p).

There has been a change in accounting policy on tax and the comparisons have been restated. On the basis of a full UK tax charge ignoring ACT earnings would have been 15.4p (15.5p).

Caird recovery slows in second half

ALTHOUGH Caird (Dundee) staged a recovery from losses of £432,876 to a £50,968 profit at midway, the group finished the year to March 31, 1979, with pre-tax profits of £83,623 compared with a deficit of £546,200 in 1977-78.

The directors say that the rising monthly rate of profit earned in the first half continued into the autumn but was seriously affected by the transport strike and bad weather in the new year, with the result that the second half did not produce the improvement expected.

In the light of the results and uncertain prospects in the carpet industry, the board is not paying a dividend for the year. The last payments totalled 1.949p in 1974-75.

Turnover amounted to £3.65m compared with £5.04m. Tax takes £35,120 (£274,896 credit) giving earnings per 25p share of 1.9p against a 10.2p loss.

Depreciation charged in the year was £209,697 compared with £235,816. The group is involved in space dyeing of yarns for the carpet and soft furnishing industries, making of printed tufted carpets and screens for carpet and textile printing.

Humphries tops midway expectation

WITH second-half profitability better than that foreshadowed by the directors at the interim stage, **Humphries Holdings**, a subsidiary of British Electric Traction Company, finished the March 31, 1979 year with pre-tax profits increased from £260,263 to £604,331. Turnover was around £1m higher at £11.3m.

When reporting half-time profits up from £115,300 to £214,000, the directors warned that the surplus in the second six months might not achieve the level of the first period. In the event, the latter half result reached £390,331 (£144,963).

Full-year profits were subject to tax of £93,259 (£73,388) and an extraordinary debit of £153,737 (£146,826 credit). Earnings per 25p share rose from 2.32p to 6.61p, but again no dividend is payable.

The extraordinary item relates to the loss incurred on the disposal of Opsec, a subsidiary which had incurred trading losses over several years, culminating in a £277,424 deficit for the year to end-1978.

The company is also selling another subsidiary, Mole-Richardson, to Rank Audio Visual. For 1978, this offshoot made a loss of £297,476 and additionally, a further loss of around £250,000 will be attributable in the year ended March 31, 1980.

Waddington falls to £1.7m after Videomaster losses

AFTER LOSSES of £1.08m by the newly-acquired Videomaster, the taxable profits of John Waddington, the games playing cards and printing group, tumbled from £2.56m to £1.68m in the year to April 1, 1979. Turnover rose from £41.38m to £46.01m.

The group virtually marked-time in the second half after seeing midway pre-tax profits fall from £2.32m to £1.65m.

Videomaster which was bought from the Receiver in July is now viable, say the directors. They add that the production programme is with reputable suppliers, and many customers are committed to carrying out products.

The directors add that if the Videomaster loss is excluded from the figures, profit would have been up by 7.8 per cent.

In general, although VAT increases could affect greetings cards, games and playing cards, the board believes prospects for this year are better.

They add that the drop in profits last year does not reflect the general health of the company.

The packaging side improved in spite of being badly hurt by strikes affecting customers' operations.

The final net dividend of 6.68p lifts the total from 11.31p to 11.68p.

• comment

In spite of the optimistic noises made about Videomaster, the new acquisition has made an uncomfortable dent in Waddington's profits. Waddington had hoped to take the electronic games market by storm but earlier in the year, the company's sole supplier in the Philippines suffered typhoon damage. But aside from the production holdup, the main reason for the £1m loss is that Videomaster was acquired too late to take advantage of Christmas demand and the company missed the market through lack of supply. The outlook for Videomaster in the current year is more hopeful, especially as the company has secured two additional suppliers, but there will still be intense competition to overcome and it is by no means certain yet that it can return a profit. Elsewhere in the group, the position looks more healthy although sales of playing cards are being affected by cheap imports. The important packaging division continues to grow, mainly on the back of investment at Thornaby-on-Tees where new plastic containers are being produced for the soft drinks industry. The shares dropped 6p to 156p where the historical p/e is 9.4, but there is the support of a solid 11.2 per cent yield.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
J. Waddington	6.68	Sept. 14	6.31	11.68	11.31
Charter Consolidated	5.6	Aug. 14	5.28	8.63	8.3
Colmore Investments	1.4	—	1.39	2.4	2.39
Eng. Card Clothing	3.7	Aug. 31	1.85	4.9	2.98
Hunting Asscd. ......int.	1	Aug. 30	1*	—	2.39
Lendu Rubber	0.98	—	0.7	0.98	0.7
Shaw Carpets	3	Aug. 21	2.51	4	2.51
Toothill	2.63	—	Nil	2.6	Nil

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

ISSUE NEWS

Stylo shoes calls for £1.9m

TWO MONTHS after announcing a record £1.13m pre-tax profit for the year to January 27, 1979, Stylo Shoes is asking shareholders for £1.88m by way of a one-for-five rights issue.

Directors of the retailing group said the money would be used to repay part of the short-term debt and to extend the new head office and warehouse.

"More than £2m has been spent over the past five years on new premises and the purchase of freehold reversions of existing premises," they said. "However, the need for additional working capital has prevented the company for taking advantage of a number of opportunities to purchase suitable properties."

The new shares will be issued at 108p and firm undertakings to subscribe for 15.8 per cent of the stock have already been received. The balance is underwritten by stockbrokers Rowe and Pitman. On the overnight price of 141p the discount is 23 per cent, but the shares dropped 13p in trading yesterday, cutting this to 15.6 per cent.

A dividend of 3p a share has been forecast for 1979-80 on the increased capital (1.82p last year). Based on an ex-rights price of 125p the prospective yield is 3.4 per cent.

Two water issues

TWO water companies yesterday made offers for sale by tender of £2m each of 8 per cent redeemable preference stock.

Wrexham and East Denbighshire Water Company's stock will be redeemed on August 31, 1984, while Sunderland and South Shields Water Company's will be redeemed on July 31, 1986. Both stocks are being offered at a minimum price of £98 per cent.

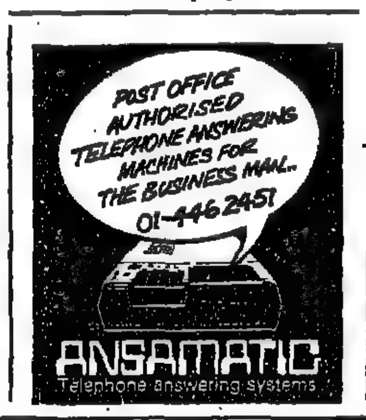
Tenders must be made before July 11 accompanied by a deposit of £10 per cent. The balance is payable before July 31 in the case of Sunderland, while Wrexham subscribers have until August 31.

The minimum tender is £100 stock and above that in multiples of £100.

In Wrexham's case, the first dividend covering the period July 11, 1979, to December 31, 1979, will amount to £2.786 per cent, payable on January 2, 1980. Sunderland's first dividend in respect of the period July 11, 1979, to September 30, 1979, will amount to £1.381 per cent, payable on October 1, 1979.

• comment

Arrangements have been made through Seymour, Pierce and Co. The only difference between the Sunderland and Wrexham water issues is the redemption date—the former is a seven-year issue while the latter lasts five years. With identical coupons, both stocks offer running yields of 11.66 per cent, with 11.88 per cent and 11.97 per cent respectively on redemption. Clearly with government stocks of similar life offering roughly similar returns, the attractions are slight to the ordinary taxpayer. However, this is not the case for corporate bodies able to take advantage of franked investment income, where the running yield for both stocks is equivalent to 17.01 per cent, and 17.17 per cent and 17.28 per cent respectively at redemption. The market may well move over the next week, but at this stage, tenders probably need to be pitched about par.



WESTBRICK PRODUCTS LIMITED

Specialists in Engineering Plastic Components, Bricks & Concrete

Summary of Results

	Year ended 31st March 1979 £000	1978 £000
Sales	12,866	10,589
Pre-tax profit	597	525
Exceptional/Extraordinary items	30	(402)
Taxation	186	198
Earned for shareholders	441	(75)
Earnings per share	10.8p	(1.8p)
Dividend per share	3.0p	1.5p

Extracts from Chairman's Statement:

* Sales turnover and profits increased, despite severe winter conditions
* Substantial improvement in earnings for shareholders
* Cash inflow has financed increase in sales and repayment of loans
* Group confident of improved performance

John Brown

Preliminary Announcement of 1979 Results

SALIENT FEATURES

	1979 £m	1978 £m		1979	1978
Turnover	390	283	Per Stock Unit		
Profit before tax	28	23	Earnings	110.1p	98.3p
Profit retained	15	15	Dividend	17.2p	8.8p
Stockholders funds	90	61	Net assets	438p	386p

Points from the Chairman's Statement

Group consolidated profit before tax for the year to March 1979 was a little over £28m and in line with forecasts. Directors are recommending payment of a final dividend of 10.2388p. Directors are also proposing to sub-divide the £1 stock units into four 25p shares and to make a scrip issue of 1 for 5. The cash position remains strong after a net increase in working capital of some £18m and capital expenditure of around £10m.

The process engineering and construction and the gas turbines divisions did very well. Craven Tasker and Markham also made excellent contributions of real significance to the group. Machine tools were worse than expected making only a very small profit.

John Brown Engineering achieved record turnover and profits; shipped 29 gas turbines compared with 48 the previous year but the equivalent megawatts of power this represented was up by 10%. The international gas turbine market is going to be very difficult throughout the current year and beyond but determined and appropriate action is being taken to deal with the situation. The introduction of three new gas turbine models of higher output and improved efficiencies within the next three years will be an added strength to this business.

Constructors John Brown also achieved record turnover and profits. Generally a year of further consolidation of CJB's position as a major international contractor with extensions to the technological base, development of human resources, orderly execution of work in hand and a satisfactory intake of new orders. The outstanding single event of the past year was the acquisition of Crawford & Russell, a leading firm of process engineers and constructors in the United States, finally completed in June 1979.

From machine tools a very poor profit overall. As foreshadowed in the interim report, provision is made as an extraordinary item in the accounts for the costs of the major restructuring taking place of the machine tool division. Provided co-operation of all employees is forthcoming, results will be better this year and the long term prospects for machine tools are good.

Bad winter weather, the road transport strike and the virtual collapse of some export markets made conditions very difficult for UK suppliers of trailers and vans. In the circumstances the excellent profits earned by Craven Tasker were all the more creditable.

A most successful year for Markham also with deliveries to customers nearly double the value of those the previous year and earning a satisfactory return.

Elsewhere the group results were broadly as expected.

Important influences on the outcome of the current year will certainly include the continuing strength of sterling which makes it more difficult to compete overseas when competition generally is anyway very fierce; and worldwide economic trends associated largely with the crude oil supply crisis. Also significant may be political and industrial uncertainties here at home with signs already evident of a renewed upsurge in the rate of inflation. JBE still has a formidable sales task if it is to ship the planned number of gas turbines this year; and the substantial scope for improvement from machine tools will need help from a revival in world markets if it is to be fully taken up. Comprehensive achievement of both these objectives may perhaps be less assured than it would be in a more congenial climate. The company should however in the current year produce a good profit and generate an encouraging cash flow allowing at least maintenance of recent levels of investment in plant and facilities, training and new product development. The underlying position of the group remains strong and the board expects to recommend a progressive dividend policy that maintains prudent levels of cover by after tax earnings.

Beyond the current year the outlook also is encouraging. The acquisition of Crawford & Russell will undoubtedly enhance the stability and growth of the Process Engineering and Construction Division's profits. The new gas turbine models being introduced by JBE are also important for the longer term as are the progressive development of products and capabilities at both Craven Tasker and Markham.

Copies of the Accounts may be obtained from The Secretary, John Brown and Company Limited, 8 The Sanctuary, London SW1P 3JU.

Philip Hill Investment Trust Limited

Directors:
Sir Kenneth Keith (Chairman)
Sir Harry Moore, C.B.E. Brian A. C. Whitmee (Vice-Chairmen)
Bryan R. Basset (Managing Director) The Rt. Hon. Viscount Bearsted, T.D., D.L. A. J. S. Duckworth
W. J. B. Girardet Julian Martin Smith, M.C. The Hon. David Montagu Sir Denis Mountain, Bart.
Sir Richard Powell, G.C.B., K.B.E., C.M.G.

Performance statistics	Year ended 31.3.79 %	Five years ended 31.3.79 %
Net asset value	+22	+98
Middle market price (Stock Exchange Daily Official List)	+30	+132
Rate of dividends (net)	+16	+108
Retail Price Index	+10	+105

Distribution of investments at 31st March 1979

Equities and convertibles	
U.K.	78¾%
Overseas	18½%
Fixed income	2¾%

Copies of the Report and Accounts can be obtained from Philip Hill (Management) Limited, 8 Waterloo Place, London SW1Y 4AY.

PHM

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Woodhead looks for record as sales exceed target

A record profit is forecast in the current year by Mr. Ernest Simpson, chairman of Jonas Woodhead and Sons, the vehicle suspension specialist. He points out in his annual statement that the opening period of the new year.

But Mr. Simpson says there are uncertainties, particularly those arising from escalating oil prices which could well depress the economy.

Last year the taxable surplus fell from a record £4.98m to £4.7m on turnover ahead from £56.6m to £65.4m. The group was hit by industrial disputes at customers and the road haulage strike.

Mr. Simpson says that the company is now better equipped in terms of plant, manpower and skills than at any time. He adds that the emphasis they have placed, and are continuing to place, on manufacturing equipment, methods, product development and quality standards will be to their advantage.

Last year the group invested £3.3m in fixed assets against £2.4m the previous year.

Net current assets at the year end were £15.29m (£14.25m). Stocks were well up from £16.4m to £19.55m but the chairman points out that this was inevitable because of the road haulage dispute and the picketing.

Meeting at Leeds on August 3 at 2.30 pm.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Birmingham Pallet, Gough Cooper.

Finals—Burtonwood Brewery, Caledonian Industries, Electronic Rentals, General Electric, Greene King, Routledge and Kegan Paul, Russell Brothers (Paddington), Scottish and Newcastle Breweries, Tex Abrasives, Viking Forth Investment Trust.

FUTURE DATES

Interims—

Birmid Qualcast	July 18
Concord Rotaflex	July 26
Midland Bank	July 27
St. Andrew Trust	July 12
Tribune Investment Trust	July 12

Finals—

Associated Leisure	July 16
Crown House	July 18
Distillers	July 19
Euston Centre Properties	July 10
Ingram (Harold)	July 25
Investors Capital Trust	July 10
Jarvis (J.)	July 26
Marler Estates	July 9
Marling Industries	July 10

Bardon ahead and confident

PRE-TAX profits of Bardon Hill Group, quarrying, civil engineering group, rose slightly from £1.15m to £1.22m for the year ended March 31, 1979 on sales up from £13.07m to £15.6m.

Mr. John Tom, chairman, says in his annual statement he views the current year with confidence. Early signs are encouraging, he adds, there being a backlog of road repairs to be carried out, as a result of winter damage and lack of maintenance.

Earnings are shown as 34.14p (29.89p) basic per £1 share and 32.8p (28.2p) fully diluted. The dividend is stepped up to 9.5p (7.92p) net with a final payment of 5.75p.

In the quarrying and allied activities division sales rose 12.6 per cent to £9.89m and profits 22.9 per cent to £1.09m. During the year £900,000 was undertaken to improve productivity and increase capacity, Mr. Tom explains. The demand for concrete products continued on a satisfactory level.

Crane and plant hire division's profits were up 32.3 per cent to £266,000 on sales of £2.13m, an 18.9 per cent lift. The company continued its policy of reinvestment and replacement of cranes, and equipment for hire. And a total of £1.3m was spent in the year.

The crane hire activities were rationalised into Steel Crane Hire with effect from April 1, 1979.

The chairman says the reorganisation at the civil engineering division in March this year has been successful, and the retained subsidiary, *Bardon Hill Contractors* is trading profitably.

The company's shares are traded by M. J. H. Nightingale and Co.

Meeting, Leicester, July 26 at 11.30 am.

Giltspur in strong position

PROSPECTS for Giltspur, the industrial services group, are encouraging for the current year, Mr. Maxwell Joseph, chairman, says in his annual report.

In the motor division, the improvements in financial administration and stock control will enable a degree of rationalisation to be undertaken. This will release funds to other parts of the group which show a better return on capital, and where more specialised services are capable of further growth, says Mr. Joseph.

Exceptional progress has been achieved in the past two trading years and the group is far healthier than two years ago with strong trading divisions, good management and a much-improved balance sheet, he states.

zAs already reported, group pre-tax profit for the year to March 31, 1979, increased by 40 per cent to a record £4.5m against £3.2m previously. Turnover was 15 per cent higher at £84.8m compared with £73.4m.

There has been a reduction in total borrowings of £3.1m as well as the re-negotiation of loans repayable within two years which have been reduced by £5.5m.

Dealing with the group's exhibition activities, Mr. Joseph says the sizeable investment in this industry in the U.S. over recent years is producing positive results and is making a valuable contribution to profits. Directors have successfully integrated a number of privately run companies into one national organisation serving five major exhibition centres.

Following numerous selling visits abroad by group executives, the agency network has been increased and strengthened, resulting in substantial profitable business, particularly in the Far East.

Further expansion of the group's road-air services throughout Europe has been achieved while the more traditional services — industrial and specialist removals and commercial storage—had another successful year.

The packaging companies increased their facilities by opening a new depot in Sheffield, but overall result suffered from lower margins and a cut-back in defence contracts. The latter situation should gradually improve with recent government announcements that defence spending will increase over the next few years.

Giltspur Engineering Design experienced a big up-lift in demand for its specialist services, and *Mr. Joseph says a new* branch has been established in Nottingham to serve an increasing number of local projects in the Midlands.

Meeting, Mount Royal Hotel, W. July 27 at noon.

EMBANKMENT TRUST REPAYS

Embankment Trust is repaying its 5¾ per cent debenture stock 1985-90 at the rate of £90 per £100 nominal of stock. Accrued interest less tax will be paid to the date of repayment.

Extra staff costs may hit Grampian TV profitability

Profitability in the coming year might be affected by the cost of taking on extra staff, says Mr. Iain Tennant, chairman of Grampian Television, in his annual statement for the year ending February 28, 1979.

He adds that they are now at their operational limit with present staff and facilities, and are to recruit more staff. This will be a major step in contributing to the quantity and quality of local programmes, and is considered to be beneficial in the longer term.

Mr. Tennant says the economics of the Grampian Television area has been so improved by North Sea oil as to warrant a reassessment of the basis on which revenue earned by Scottish Television and Grampian Sales is apportioned between STV and themselves. In terms of the agreement between the two companies the issue has been referred to arbitration.

As reported, the group's taxable profits rose from £372,000 to £406,000 last year on turnover ahead from £3.5m to £4.43m.

Net current assets at the year end were down from £291,000 to £108,000. Fixed assets stood at £2.54m (£1.66m). There was a net decrease in working capital of £193,000, against a £121,000 increase.

The company is television programme contractor to the Independent Broadcasting Authority for north-east Scotland. It also has a property investment and development subsidiary, Glenburnie Properties.

Meeting, Aberdeen, on July 26 at 12.30 p.m.

Today's Company Meetings

Amfund, 2, St. Mary Axe, EC, 3.15. Bremner, 44, Glassford Street, Glasgow, 10.30. Eastern Produce, Winchester House, 100, Old Broad Street, EC, 12. Louis C. Edwards, Ship Canal House, King Street, Manchester, 12. Fine Art Developments, Fine Art House, Queen Street, Burton-on-Trent, 4. Guardian Investment Trust, Bucklersbury House, 18, *Walbrook*, EC, 12. C. E. Heath, The Baltic Exchange 14-20, St. Mary Axe, EC, 12. Kayser Bondor, 22, Hanover Square, W, 12. Morgan Crucible The Cafe Royal, W, 11.30. Pyramid, Hilton Hotel, Park Lane, W, 10. William Sindall Gonville Hotel, Cambridge, 12.15. UBM Group, Avon Works, Winterstoke Road, Bristol, 12.

OCEAN WILSONS (HOLDINGS) LIMITED

SALIENT POINTS FROM THE CHAIRMAN'S REVIEW

The results for the year ended 31st January, 1979 show a profit before tax of £3,176,000 (1978 — £2,679,000) and after tax £1,756,000 (1978 — £1,482,000) increases of 18.5 per cent. The Board recommend a final dividend for the year of 2.5p per share, which with the interim dividend of 1.00p per share already paid makes a total for the year of 3.5p (1978 — 2.875p) per share an increase of 21.7 per cent. These dividends will absorb the sum of £463,000 leaving a balance of £1,293,000 to be added to reserves.

The Group's wholly owned subsidiaries have continued to operate satisfactorily, despite the difficult trading conditions, and earnings in cruzeiros were substantially higher than the previous year. This is reflected in the improved results despite a 37 per cent depreciation in the value of the cruzeiro from Cr$32.15 to £1 at the beginning of the year to Cr$44.14 at the end.

In Brazil advantage has been taken of an opportunity to increase the number of tugs, of 2,200 h.p. each, on order from 3 to 7 the first of which should be delivered towards the end of next year. In order to protect the Group's unremittable funds from local inflation opportunity has been taken to invest approximately £1,000,000 in prime office property in São Paulo.

The Group's associated Companies have made a small contribution to the profit before tax. Wilcom S.A. is, following its reconstruction, expected to make a profit for the current year and profitable results are expected from Acrow Armasil S.A. on completion of its new factory for the production of "Acrow" products.

Income and interest from the investment portfolio at £274,000, is £14,000 higher than the previous year. The market value of the listed investment portfolio at 31st January, 1979 was £4,305,000 a surplus of £2,022,000 over cost. A later valuation at 7th June, 1979 disclosed a value of £5,002,000 which gives a surplus over the book value at that date of £2,576,000.

With an important reservation concerning the effect of the current oil crisis on the Brazilian economy, the prospects for the Group are good. Profits for the first three months of the year are satisfactory and provided conditions do not seriously deteriorate, the profit growth of the Group should continue.

COMPARATIVE STATEMENT

	1979 £000	1978 £000
Group Turnover	42,961	29,236
Group Profit before taxation	3,176	2,679
Taxation	1,420	1,197
Group Profit after taxation	1,756	1,482
Dividends — Interim	132	132
— Final	331	248
Amount retained	1,293	1,102
Earnings per share based on the profit after taxation	13.27p	11.20p
	£000	£000
Group Net Assets		
United Kingdom — book value	2,514	2,477
Surplus on market value of listed investments over book value	2,022	2,416
	4,536	4,893
Brazilian Interests — book value	8,478	7,215
	13,014	12,108

The Annual General Meeting will be held at 12 noon on Friday 27th July, 1979 at Winchester House, 100 Old Broad Street, London, EC2.
20th June, 1979

BPB INDUSTRIES LTD

PLASTER, PLASTERBOARD AND OTHER BUILDING MATERIALS
PAPER, PAPERBOARD AND PACKAGING PRODUCTS

Chairman: F. G. Flood

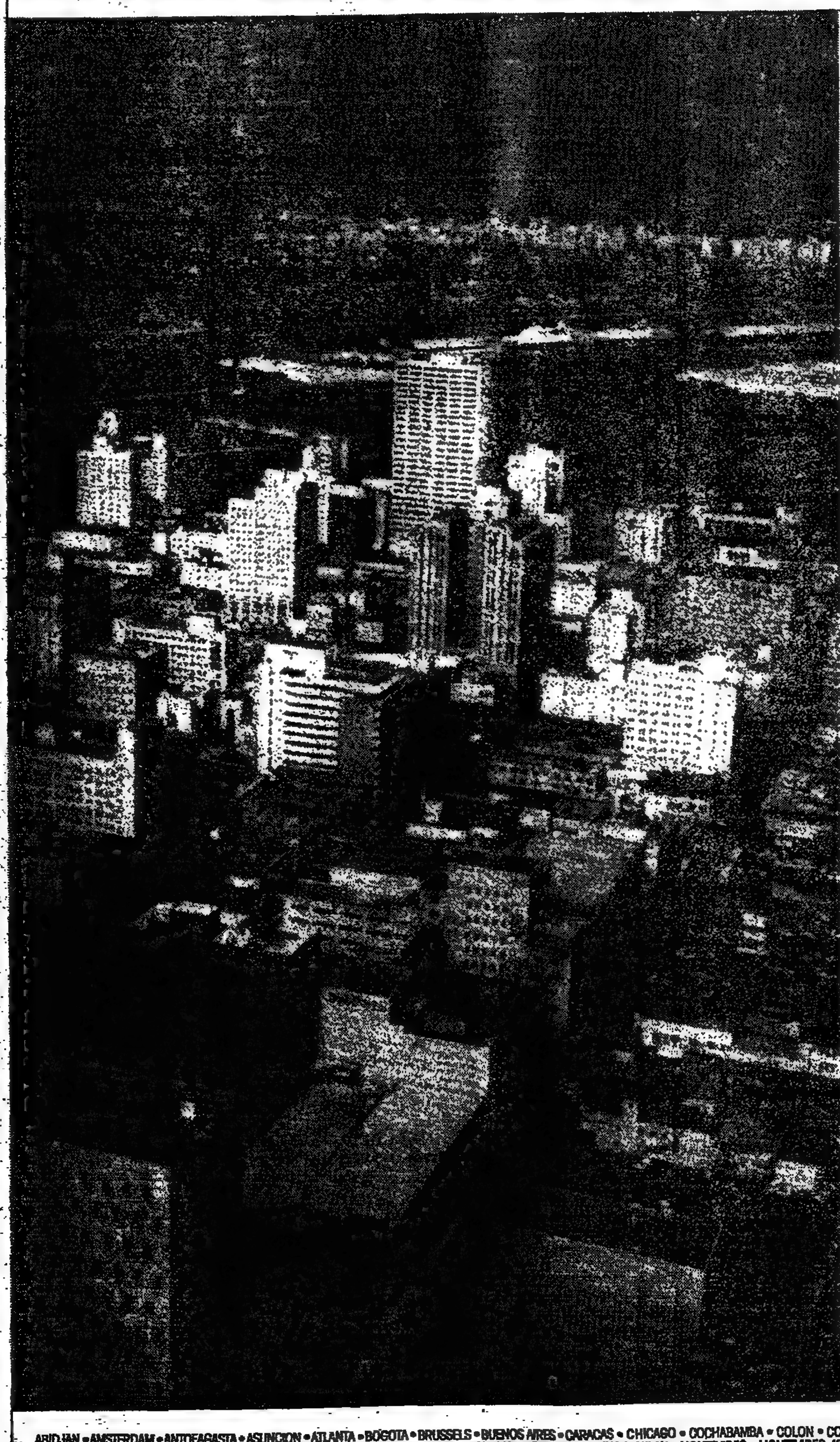
Highlights from the Annual Report 1978/79

- ★ Record profit before tax of £35.4 million
- ★ High level of capital expenditure continues
- ★ Increased dividend for shareholders
- ★ The need for energy conservation will provide new opportunities for the group and for the glass fibre insulation plant now under construction

Year to 31st March	1979 £ million	1978 £ million
Sales	298	275
Profit before tax	35.4	27.2
Attributable profit (after tax)	25.3	19.1
	p	p
Earnings per share	56.9	44.0
Dividend per share (including tax credit)	19.126	11.465

Copies of the Report and Accounts may be obtained from the Secretary at Ferguson House, 15/17 Marylebone Road, London NW1 5JE.

STILL MORE HELP FOR YOUR BUSINESS FROM BANCO DO BRASIL.



MIAMI OFFICE OPENS JULY 5.

With the opening of their office in Miami, Banco do Brasil extend yet further the network of support they can offer to businessmen.

As Brazil's leading bank, with total assets of almost US$ 50 billion, Banco do Brasil dominates the banking scene in one of the world's most flourishing economies. Its help is indispensable for anyone seeking to take advantage of the manifold trading opportunities there.

Now, with 55 branches in the world's main financial centres, as well as its 1,200 in Brazil, the bank is increasingly able to smooth your business path, however wide its ramifications.

When you deal with Banco do Brasil you are sure of sound, well-informed advice, and you know all transactions will be carried out quickly and professionally. In Miami too you can now count on Banco do Brasil.

One Biscayne Tower, 38th Floor -
Two South Biscayne Boulevard -
P.O. Box 010231 - Miami, Florida 33131 -
Telephone: (305) 358-3586.

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OVER 1,200 BRANCH OFFICES IN BRAZIL.

Jonas Woodhead

VEHICLE SUSPENSION SPECIALISTS

Year to 31st March	1979 £'000	1978 £'000
Group turnover	65,100	56,600
Exports	7,812	6,521
Trading profit	5,363	5,463
Profit before tax	4,695	4,952
Profit after tax	3,958	3,787
Profit retained	2,918	2,872
Earnings per share	27.2p	26.2p
Dividend per share	5.87p	3.84p

Points from the statement by the Chairman, Mr. E. S. Simpson:-

- Prolonged strikes at the factories of major customers and the strike in the road haulage industry were very damaging to profit.
- Final dividend—increased to 4.5p per share.
- Direct exports increased by 20%.
- Investment in fixed assets amounted to £3.3m compared with £2.4m in the previous year.
- **Prospects:** We are poised to improve our position significantly. The emphasis we have placed, and are continuing to place, on manufacturing equipment, methods, product development and quality standards will be to our advantage in the market place. Whilst I am looking to 1979/80 to show a new record profit, it is not clear what conditions the future will impose on our company, particularly those arising from escalating oil prices which could well depress the economy.

Copies of the Report and Accounts are obtainable from the Secretary, Jonas Woodhead & Sons Limited, Kirkstall Road, Leeds LS4 2AQ.

THE WOODHEAD GROUP OF COMPANIES

NOTICE OF ISSUE — ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

Sunderland and South Shields Water Company

(Incorporated in England on 28th May, 1852, by the Sunderland and South Shields Waterworks Act, 1852.)

OFFER FOR SALE BY TENDER OF

£2,000,000

8 per cent. Redeemable Preference Stock, 1986

(which will mature for redemption at par on 31st July, 1986)

Minimum Price of Issue £98 per £100 Stock

yielding at this price, together with the associated tax credit at the rate provided for in the current Finance Bill, £11·66 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on this Stock will be at the rate of 8 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the proposed rate of Advance Corporation Tax (3/7ths of the distribution) is equal to a rate of 3 3/7ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London EC2P 2BU marked "Tender for Sunderland Water Stock", so as to be received not later than 11 a.m. on Wednesday, 11th July, 1979. The balance of the purchase money is to be paid on or before Tuesday, 31st July, 1979.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R 8EA.

Barclays Bank Limited,
53, Fawcett Street, Sunderland, SR1 1SD.

or from the principal office of the Company 29, John Street, Sunderland SR1 1JT.

NOTICE OF ISSUE — ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

WREXHAM AND EAST DENBIGHSHIRE WATER COMPANY

(Incorporated in England on 23rd June, 1864 by The Wrexham Waterworks Act, 1864)

OFFER FOR SALE BY TENDER OF

£2,000,000

8 per cent. Redeemable Preference Stock, 1984

(which will mature for redemption at par on 31st August, 1984.)

Minimum Price of Issue £98 per £100 Stock

yielding at this price, together with the associated tax credit at the rate provided for in the current Finance Bill, £11·66 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on this Stock will be at the rate of 8 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the proposed rate of advance corporation tax (3/7ths of the distribution) is equal to a rate of 3 3/7ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD marked "Tender for Wrexham Water Stock", so as to be received not later than 11 a.m. on Wednesday, 11th July, 1979. The balance of the purchase money is to be paid on or before Friday, 31st August, 1979.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R 8EA.

or from the principal office of the Company at 21 Egerton Street, Wrexham, Clwyd LL11 1ND.

UK COMPANY NEWS

L & G life and pensions business falls mid year

A DECREASE in world-wide life and pensions business during the first half of 1979 is reported by **Legal and General Assurance Society**, the largest pensions company and the second largest life group in the UK.

New annual premium income over the period amounted to £46.8m against £60.6m in the first half of 1978, while new single premiums amounted to £13m against £18.3m. The company is the first to publish its half-yearly new business results.

The company says that this decline in new business was not unexpected, being accounted for by the fall in UK pensions and group life business. This business had an exceptional rise in 1978 following the implementation of the new State pension scheme and was not expected to be repeated.

L and G reports new annual premiums for this UK business in the first half of the year down from £43m to £27.9m and new single premiums form £12.1m to £8.2m.

Nevertheless, if this pattern is repeated over the second half and is representative of the UK life assurance industry, there could be the first decline in total yearly new business by UK life companies since the war.

A clearer picture will emerge when the half-yearly figures of the Prudential Corporation, Britain's largest life company, are published today.

New individual life business continued to be buoyant with new annual premiums rising from £15.2m to £16.5m over the period. However, single premiums declined to £4.7m against £6.2m.

This growth in new annual premiums came entirely from the UK where business in the first half amounted to £13m compared with £10.6m in 1978.

The continued satisfactory performance of the linked life subsidiary accounted for much of this growth, although the company was not prepared to provide separate figures. Single premiums in the UK individual business dropped from £5.8m to £4.3m.

To maintain the current level of investment in North Amehica, a similar sum has been borrowed from Manufacturers Hanover Trust Company and Morgan Grenfell and Co. under an existing multi-currency loan agreement.

SCOTTISH UNITED INVESTORS

Scottish United Investors, a Glasgow-based investment trust with substantial overseas investments, has repaid a U.S.$2.5m loan to New York Life Insurance Company.

Optimism at British Steam

THE DIRECTORS of the **British Steam Specialties Group** are budgeting for increased profits in the current year, and Mrs. Helen Waudby, the chairman, tells members in her annual statement that she remains optimistic and cautiously confident for the future.

As reported June 22, on turnover 18.5 per cent higher at £36.9m, pre-tax profits rose some 27 per cent to £2.89m for the year ended March 31, 1979. The total net dividend is lifted to 5.214p (adjusted 4.67p) and a one-for-five scrip issue is also proposed.

A breakdown of turnover and profits shows:—manufacturing and distribution, £35.26m (£29.16m) and £2.9m (£2.17m), and civil engineering, £1.65m (£1.98m) and £10,000 loss (£98,000 profit). Exports rose from £2.07m to £2.67m.

Current cost pre-tax profits are £2.1m (£1.45m) after adjustments of £219,000 (£202,000) for additional depreciation, £733,000 (£751,000) for cost of sales, offset by £162,000 (£127,000) gearing.

The company has reached agreement for the termination and formal release of the floating charge arrangement currently held with Midland Bank to take effect as soon as documentation is completed.

BET Omnibus lifts borrowing powers

Proposals to increase the borrowing powers of the *directors of* **BET Omnibus** Services are announced in the annual report. Currently, borrowing may not exceed the issued share capital or one-third of the capital in the case of secured borrowings.

The new limit proposed is now two-thirds for secured borrowings and based on the balance sheet at March 31, 1979, *the new proposal would enable* directors to increase borrowing by a further £7.4m up to about £14m before further sanction is required.

Proposals to increase *unsecured borrowings will permit* the Board to increase present borrowings by £3.4m to finance capital expenditure by the subsidiary, Grayston.

The present articles limit *unsecured borrowings to £6.8m* and secured to £7m. Currently the company has unsecured borrowings of £5.1m and no secured.

The directors say the limits *imposed 37 years ago are now* unrealistic in relation to the company's present size.

British Electric Traction, the ultimate parent company has indicated its intention to vote *in favour of the resolution.*

Arbuthnot Latham growth

IN A *few months'* time, **Arbuthnot Latham Holdings** will be entering a new decade with the capital and reserves of the group increased from £2.1m to £13.3m over the last 10 years, Mr. A. R. C. Arbuthnot, chairman, says in his annual report.

The Board intends to continue developing the overall merchant banking and financial business, the "Golding" reinsurance and insurance broking group, and the group's involvement in consulting services and in commodities.

Meanwhile, the policy has been to dispose of investments *which are not considered to be* integral to the group business.

In this context the group sold its holdings in Lindishourne and in Barrow Hepburn for a total of £3m. The group did not receive any dividend from these investments in 1978-79 and the interest savings arising from the subsequent reduction in group borrowings will take effect in the current year.

For the year ended March 31, 1979, group profit after tax, transfer to inner reserves and extraordinary items totalled £1.13m against £1.03m, although, as expected the profit after extraordinary items was lower.

BPB—base for long-term growth

IN THE short term **BPB Industries** does not expect any marked change in the level of demand *for its products in the* UK. However, the sale of increasing amounts of building materials for repairs and remodelling together with better turnover in the industrial sector, should compensate for the low rate of construction of new homes, says Mr. F. G. Flood, the chairman.

After a difficult start in France, Belgium and Germany due to severe weather, *activity* abroad is now developing at the same rate as last year and a maintained level of overseas profit is forecast, he states.

The need for more dwelling units *in the UK* coupled with the high growth potential of the group's gypsum-based products base for the expansion of BPB for many years to come.

Added to this the pressing need for energy conservation will provide new opportunities and the company's glass fibre insulation plant near Runcorn will make an important contribution in this field. Meanwhile other possible investments suitable for broadening the base of BPB are also being investigated, he adds.

There are signs of an improvement in the volume of chipboard sales in Europe and the subsidiary Scotboard, which last year reduced its loss from £1.5m to £0.9m, has a positive cash flow from current trading. Mr. Flood says: "The board feels it is wise to perserve with this growth product, at least for the time being."

There was also a cut in the loss at the Netherlands offshot last time to £0.4m (£1.9m) and though market conditions remain *difficult the company is looking for* a gradual improvement as the year progresses.

For the year to March 31, 1979, taxable profit climbed from £27.25m to a record £35.4m on turnover over £20m ahead at £298m. On a current cost basis, along the Hyde guidelines, the surplus is trimmed to £24.5m (£18.8m) by £8.3m (£7.9m) additional depreciation, and £3.4m (£1.8m) to meet the extra cost of sales, less a gearing adjustment of £1.3m (same).

A segmental breakdown of sales and £35.65m (£28.54m) profit before interest, shows in £000s: UK gypsum products £117,865 (£106,170) and £16,687 (£14,709); paper and packaging £45,589 (£42,271) and £9,015 (£7,288); bitumen products £11,700 (£10,432) and £1,535 (£942); wood chipboard £2,957 (£3,593) and £901 loss (£1,472) and other activities £9,745 (£8,002) and £1,277 (£1,106). Canada gypsum products £34,937 (£32,124) and £2,899 (£2,050); France gypsum products £59,453 (£56,949) and £3,348 (£4,367); Republic of Ireland gypsum products £8,902 (£7,635) and £1,651 (£1,440) and Netherlands paper and packaging £6,539 (£7,452) and loss £363 (£1,894).

Short-term deposits and cash at year-end were higher at £16.21m (£14.78m) and bank overdrafts and short-term loans amounted to £9.9m (£11.48m), for net liquidity to show a £2.93m rise, compared with a £6.3m fall.

As at March 31, this year loans represented 22 per cent (25 per cent) off assets. Long-term borrowing of £6m in Canadian dollars has been arranged to finance a new plasterboard plant in Alberta.

Authorised future capital spending at year-end amounted to £38.15m (£37.92m) of which £16.22m (£9.2m) has been contracted.

As reported June 28, the net dividend is stepped up to 13.2p (7.624p) and a one-for-one scrip issue is proposed.

Dividend rise seen by Barr & Wallace

At the AGM Mr. J. M. Barr, chairman of Barr and Wallace Arnold Trust forecast a substantial increase in dividend for the current year. This will be recommended at the time of the interim payment in early October.

He stated that results to date were ahead of budget and the comparable period last year.

POSTAL DELAYS

Postal delays have led the Registrar of Companies to remind companies required to register mortgages or charges on their assets that particulars must be delivered to him within 21 days.

Postal difficulties have also forced Framlington Unit Management to extend the discount offer to its 10,000 unit holders until July 20. The offer was due to expire on July 6, but by yesterday not one letter containing the offer had been delivered.

New Court Natural Resources Limited

Oilfield services and the ownership of producing oil and gas properties in the United States.

GROUP RESULTS FOR THE YEAR ENDED 31ST MARCH, 1979

	1979 £000's	1978 £000's
Turnover	3,658	2,838
Profit before taxation	542	201
Attributable to shareholders	446	82
Earnings per share	2.23p	0.41p
Dividend per share	0.55p	0.50p

THE FUTURE

". . . It is therefore the Board's intention to seek a full listing when conditions are considered appropriate . . .

. . . I view the coming year with every confidence."

ALISTAIR MACLEOD MATTHEWS
Chairman.

For a copy of the full Report please write to The Secretary, New Court Natural Resources Limited, New Court, St. Swithins Lane, London EC4P 4DU.

Bardon Hill Group Limited

ANNUAL RESULTS

Year to 31 March	1979 £000	1978 £000
Sales	15,595	13,066
Profit before Tax	1,223	1,157
Profit after Tax	1,043	913
Per Share—Earnings	34.1p	29.9p
—Dividend Gross	13.8p	12.0p
Net	9.5p	7.9p

Note: The figures for 1978 have been adjusted to give effect to prior year adjustment the majority of which relates to the release of deferred taxation resulting from a change in accounting policy in accordance with the provisions of SSAP 15.

Points from the statement by the Chairman, Mr. J. G. Tom

- Profits increased in difficult year. Dividend up by 20%.
- After reorganisation all units now profit making.
- Current year started well—future faced with confidence.

The Company's shares are traded on The Over-the-Counter Market. Details of this market together with copies of the full Report and Accounts are available from K. J. Cure, Bardon Hill Group Ltd., Bardon Hill, Leicester LE6 2TL. Telephone Coalville (0530)-38226.

Charter Consolidated Limited

FINAL DIVIDEND AND CONSOLIDATED PROFIT STATEMENT
FOR YEAR TO 31 MARCH 1979

The board of directors has today resolved to recommend to the annual general *meeting of members to be held on 10 August 1979 a final dividend of 5.6p per share* in respect of the year ended 31 March 1979 (1978: 5.27645p per share), payable to shareholders registered in the books of the company at the close of business on 20 July 1979 and to persons presenting coupon no. 28 detached from share warrants to bearer. With the interim dividend of 3.025p per share paid on 3 January 1979, the total dividend for the year and associated tax credit will be 12.51493p (1978: 12.45563p) per share. Dividend warrants will be posted on or about 13 August 1979.

The following unaudited results of the company and its subsidiaries for the year to 31 March 1979 are issued for information in advance of the annual report and accounts which will be posted to members on or about 17 July 1979.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1979

	1979 £000	1978 £000
Income from investments	19,517	21,054
Surplus on realisations of investments	11,990	5,790
Trading profit	21,212	18,065
	52,719	44,909
Deduct:		
Administration and technical expenditure	4,096	3,472
Prospecting expenditure	1,079	951
Interest payable less receivable	2,941	4,052
	8,116	8,515
	44,603	36,394
Retained profits (losses) of associated companies	(56)	6,693
Profit before taxation	44,547	43,087
Taxation	17,965	14,387
Profit after taxation and before extraordinary items	26,582	28,700
Deduct:		
Minority interests	3,591	3,265
Attributable to Charter	22,991	25,435
Earnings per share 21.93p (1978: 24.28p)		
Dividends of 8.625p per share (1978: 8.30145p per share)	9,043	8,703
Profit for the year retained before extraordinary items	13,948	16,732
Deduct:		
Extraordinary items	5,682	21,661
Retained profit (deficit) transferred to reserves	8,266	(4,929)

Notes:

1. The surplus on realisations of investments includes profits from exceptional sales as a result of the advantage taken during the year of the high investment currency premium and strength of the gold share market.
2. The relatively higher tax charge this year is due to the increased level of profits from investment realisations and to no credit for tax relief being obtained in respect of the Cleveland Potash loss included in the results of associated companies.
3. The results of associated companies include Charter's 37½% share amounting to £5.8 million of the loss of Cleveland Potash for the 9 months commencing 1 April 1978, when the mine was deemed to have completed the development stage. Production of potash for the 6 months ended 30 June 1979 amounted to 212,000 tonnes compared with 249,000 tonnes produced in the full year 1978. Notwithstanding this improvement, Cleveland's estimated loss for the 6 months ended 30 June 1979 is £8 million, of which £4.7 million was attributable to an operating deficit, and the balance to depreciation and financial charges on external loans.
   Charter and its partners have jointly voted £8 million for the project in 1979 which will meet its cash requirements until the end of August, before which time the future of the project will be reviewed by the partners.
4. Extraordinary Items
   (i) Provision has been made against the full book value of the investment in Cleveland Potash which, after deducting the share of Cleveland's loss referred to above and appropriate tax relief, amounts to £11.0 million. In addition as a matter of prudence provision has been made against the full amount of liabilities under guarantees in respect of loan and leasing finance for Cleveland amounting to £9.2 million.
   (ii) Extraordinary items also include
   (a) a credit of £12.6 million for tax relief in respect of losses on Société Minière de Tenke-Fungurume previously written off.
   (b) a net profit of £6 million from the sale of long-term investments and a deficit of £4.5 million from the translation into sterling of foreign currency assets and liabilities.

Registrars:
Charter Consolidated Services Limited,
P.O. Box 102, Charter House,
Park Street, Ashford,
Kent TN24 8EQ.

By order of the Board
CHARTER CONSOLIDATED LIMITED
D. S. Booth
Secretary

Registered Office:
40 Holborn Viaduct,
London EC1P 1AJ.

4 July 1979

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Scottish & Newcastle to buy Gough brothers

SHARES of Gouth Brothers, the wine merchants jumped 56p to 127p yesterday on the news that Scottish and Newcastle Breweries is to make an agreed bid of £4.3m cash.

The acquisition is in line with Scottish and Newcastle's aim of increasing its penetration in the South as well as taking advantage of the fast growing take-home trade.

The 220 Gough off-licenses are all in the South of England and provide an outlet for S and N's beers and spirits in the South. Since about three-quarters of pub outlets in the South are tied to a major brewer, S and N has faced problems in getting its drinks widely sold.

But the off-licenses provide an outlet for its Mackinley's Scotch Whisky as well as the fast-selling McEwan's lager and the new Kestrel brand.

As an alternative to the cash offer, S and N is also to offer a share alternative whereby Gough shareholders can receive 11 S and N shares for every six Gough shares. But the maximum number of shares to be issued by S and N will be 3m and if more than these shares are requested the applications will be scaled down pro rata.

Cash or notes carrying interest at a rate equivalent to six-month interbank rate will make up the balance.

Irrevocable undertakings to accept have been given in respect of 33 per cent of Gough's issued capital owned by the directors, their families and related trusts.

Baring Brothers is acting for S and N while Gough has been advised by Barclays Merchant Bank.

STEWART WRIGHTSON

Stewart Wrightson UK, the insurance broker, is to form Stewart Wrightson Personal Financial Planning, which will specialise in advising individual clients on the co-ordinated planning of their assurance, investment and tax affairs.

The new company is a subsidiary of Stewart Wrightson Assurance Consultants and is based at Kingston-upon-Thames, Surrey.

The directors are Mr. A. Morley-Brown, Mr. G. J. Gilbert and Mr. C. R. Berry, managing director.

Other appointments in the Stewart Wrightson Group are Mr. L. G. Stevenson and Mr. M. J. Washbourne who both become directors of Stewart Wrightson (International).

Datnows leaving Hardy board

Shareholders of Hardy and Company (Furnishers) have been asked to approve payments totalling £168,808 to Mr. Edward Datnow, the chairman, and Mr. Arthur Datnow, a director.

Both men are to resign from the Hardy Board following the acquisition of the company by Harris Queensway. Their service agreements will also be terminated "to facilitate the transition of management."

The Harris bid, which initially split the Hardy Board, was eventually accepted by all Hardy directors after the original offers had been raised.

The formal offer document, which gives details of a complicated capital reorganisation of Hardy "in order to reduce the expense of the offers," also shows that the combined net assets of the enlarged Harris Queensway amounts to around £16.5m.

Edinburgh and General rights: buying private insurance broker

Mr. Graham Ferguson Lacey, the new chairman of Edinburgh and General Investments, who bought a fraction under 30 per cent of the insurance broker late last year, yesterday unveiled a pre-tax loss together with proposals for a £0.5m rights issue and the purchase of a private insurance broking firm which he owns.

Edinburgh, the smallest of the 10 quoted insurance brokers, lost £13,940 last year, compared with £68,705 profit.

Mr. Ferguson Lacey explains that the "disappointing" results were partly due to a change in the accounting basis, and the start-up costs of a new Lloyd's underwriting agency which will manage an aviation syndicate.

To enable the company to report its results earlier, a strict year-end date has been adopted as the cut-off point for incoming revenue attributable to business written during the year. This has deprived the 1978 results of "certain income" which will be carried forward into the current year.

The new aviation syndicate, says Mr. Ferguson Lacey, will take three years to make a full contribution to profits, though he expects some benefit in 1980.

Against this background, Mr. Ferguson Lacey proposes to inject his own insurance broking company, Meara Gibson, into the group. Meara is a three-year-old company, specialising in life, general and mortgage broking. Over the next two years its pre-tax profits are expected to exceed £60,000 per year.

Under the proposal Edinburgh and General would pay £9,000 for the fixe assets of Meara, assume responsibility for £194,000 liabilities and overheads and, over the next two years, pay Mr. Ferguson Lacey 15 per cent of the gross commission on already existing business. This would be worth about £50,000 a year at present levels.

The rights issue, on a three-for-five basis, is to be pitched at 25p per share, compared with yesterday's unchanged market price of 32p. It is to be underwritten by Hambros Bank and sub-underwritten by Rowe and Pitman.

The net proceeds, of £485,000 are to be split between the acquisition and injection of further working capital into Meara (around £50,000), and £200,000 to improve broking liquidity. The remainder is earmarked for acquisitions.

Mr. Ferguson Lacey will take up his full rights entitlement.

Shareholders are not offered any dividend this year, and the Board does not commit itself to an early resumption of dividends beyond saying that they will declare one "as soon as profits justify it."

KNOTT MILL

Kitchen Queen Group has received acceptances of 80.39 per cent in respect of its offer for Knott Mill Holdings. The offer is now unconditional. The cash offer has now lapsed but the share offer remains open until July 18.

Mac Markets deal threatens jobs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE BAT Industries £25m acquisition of Unilever's MacMarkets supermarkets chain is likely to lead to the loss of several hundred jobs, it was revealed yesterday.

The proposed merger of the 64 MacMarkets stores with BAT's International Stores will lead to rationalisation of distribution and administration facilities as well as some stores.

International's depot at Swanley in Kent is likely to be closed down to take advantage of MacMarket's own distribution network. Staff and unions were told of the closure yesterday, which is due to take effect next year.

Details of the deal, announced yesterday, values the 64 Macmarket supermarkets at £25m and puts a total valuation of International's Stores, plus Macmarkets, at £100m.

Under the merger arrangements, Unilever will receive 25 per cent of International Stores's equity share capital in return for the MacMarkets operation being fully merged with International. The remaining 75 per cent share of International will continue to be held by BAT Stores Holdings, a wholly-owned subsidiary of BAT Industries.

The agreement includes an option to be exercised by either BAT or Unilever for BAT to acquire the remaining 25 per cent in 1983 for at least £40m.

The Office of Fair Trading has been informed of the merger and the deal is conditional an it not being referred to the Monopolies and Mergers Commission. The final details of the deal are expected to be concluded by the end of this month.

International's decision to takeover the MacMarket supermarkets is in line with its short-term policy of enlarging its store selling space. International's average store size is about 3,500 sq ft of selling space, while the average for MacMarkets is 7,500 sq ft.

Thus in areas such as the South and Midlands, where International and MacMarkets stores overlap, it is expected that International wil lshut its own stores down. At least 10 stores may be affected. However, the MacMarkets stores will be renamed as International Stores.

The deal has faced criticism from both City analysts and rival stores groups who believe the merger has only compounded the management and trading problems facing International. Both companies have gone through senior management changes in the past year.

It is also argued that International needs a huge injection of new store selling space rather than the marginal increase offered by MacMarkets. However, the new combined group will make it about the fourth largest in terms of market share.

GKN PURCHASE FROM SIDLAW

Guest Keen and Nettlefolds and Sidlaw Industries have reached agreement in principle whereby GKN will acquire the business presently carried on by P. and R. Fleming (a wholly-owned subsidiary of Sidlaw). This includes the company's premises, plant equipment at Bishopbriggs, Glasgow, and its stock in trade.

Fleming is engaged in the distribution of hardware, horticulture supplies and wire products in Scotland.

The consideration, which is in cash, will be an amount equivalent to the aggregate of the book value of the fixed assets and a valuation of the stock at completion less £300,000.

At September 29, 1978, the book value of fixed assets was £981,000 and of the stock £808,000. The loss before tax attributable to the business for the year ended on that date was £146,526. The consideration received by Sidlaw will initially be applied to reduce borrowings.

BRITISH VITA

British Vita Company, the Manchester based plastics and rubber group, has completed the acquisition of Libeltex, a Belgian manufacturer of bonded fibres, and of its sister companies Limatex and Metrans.

Vita has paid BF 37.5m (£580,000) being about 45 per cent of the estimate purchase consideration. The precise amount of the purchase price will be determined by reference to audited accounts as at June 30, 1979, which will be available in September.

CCP/CHARTERHALL

C.C.P. North Sea Associates announces that the scheme to separate Charterhall's 40 per cent interest in the company was approved by shareholders holding 74.4 per cent of the votes.

B AND C OFFER

Acceptances received by British and Commonwealth Shipping on its offer for Manifold Investment Holdings amount to 69 per cent. The offer is not yet unconditional, and will be open for a further 14 days, until July 17.

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6½% Sinking Fund Debentures due February 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1979 at the principal amount thereof $1,174,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. $1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

04 05 29 30 42 50 58 65 71 77 82

Also Outstanding Debentures of Prefix "M" Bearing the Following Serial Numbers:

33	2533	5033	8033	8733	10633	13833	15133	16233	17533	18433	19333	20233	23733	24833
1033	2733	6633	8233	9533	12233	14533	15433	17033	17733	18633	20033	21433	24233	
2233	3933	7933	8533	10533	12533	15033	15633	17233	18333	18733	20133	21733	24333	

On August 1, 1979, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015,** or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due August 1, 1979, should be detached and collected in the usual manner.

From and after August 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, *Fiscal Agent*

June 28, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. $1,000 EACH

M 163	2826	5075	9975	10191	10685	10702	12848	13791	16412	16446	16460	16476	16494	18875	21849
175	3948	5091	9979	10676	10690	10707	13026	16402	16421	16448	16461	16479	16500	21818	24591
1022	3949	5226	10048	10677	10691	10709	13676	16403	16422	16449	16468	16480	17022	21822	
2326	4848	6049	10049	10679	10699	10722	13775	16404	16426	16453	16470	16490	17622	21826	
2823	4849	9926	10176	10683	10701	10724	13779	16407	16436	16454	16475	16491	17626	21848	

National and Commercial Banking Group Limited

At an Extraordinary General Meeting of shareholders held in Edinburgh yesterday a special resolution was passed approving, with effect from 3rd September, 1979 or as soon thereafter as the Department of Trade may approve, the change of the name of the company to

The Royal Bank of Scotland Group Limited

A FINANCIAL TIMES SURVEY

INDUSTRIAL DISTRIBUTION

July 18 1979

The Financial Times proposes to publish a Survey on Industrial Distribution. The provisional synopsis is set out below.

INTRODUCTION Surveys indicate that British Industry turns over its stocks more slowly than its main international competitors. Yet stocks in factories, warehouses, retail outlets or in transit tie up capital; and distribution costs, including insurance, packing, handling and transport charges, can amount to a third of the selling price. If the scope for raising efficiency in production and marketing is limited, can costs be reduced and capital released by scrutinising distribution costs?

THE DISTRIBUTION CONCEPT The traditional tendency is to sell first and think about movement later. But more companies are integrating distribution with production and marketing in their medium-term planning and regularly reappraise their distribution practices in the light of changing circumstances.

ROLE IN MANAGEMENT Distribution requires a mix of managerial expertise yet the responsibility is often left to middle or junior management. A review of modern company practice—and the benefits that have accrued when distribution is given attention at the highest level.

EXPORT DISTRIBUTION An important and specialised activity which is centrally controlled in many large companies and which has been the subject of special studies by NEDO.

SPECIALIST SECTORS The supply of industrial equipment, components and spares is a large, hereterogeneous business with its own specialist stockists and distributors. A review of trends of some of the major sectors, including:

a. general engineering supplies;
b. electrical and electronic supplies;
c. automotive parts.

RETAIL DISTRIBUTION The rapid growth of low-margin, high-volume retailing of branded goods has brought about dramatic changes in distribution techniques, first in foods and increasingly in non-food lines.

DISTRIBUTION AGENCIES Several industrial and transport companies offer package-deal distribution services, embracing everything from inventory control to customer billing. The case for keeping distribution in house or for contracting it out.

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ELECTRA INVESTMENT TRUST

LIMITED

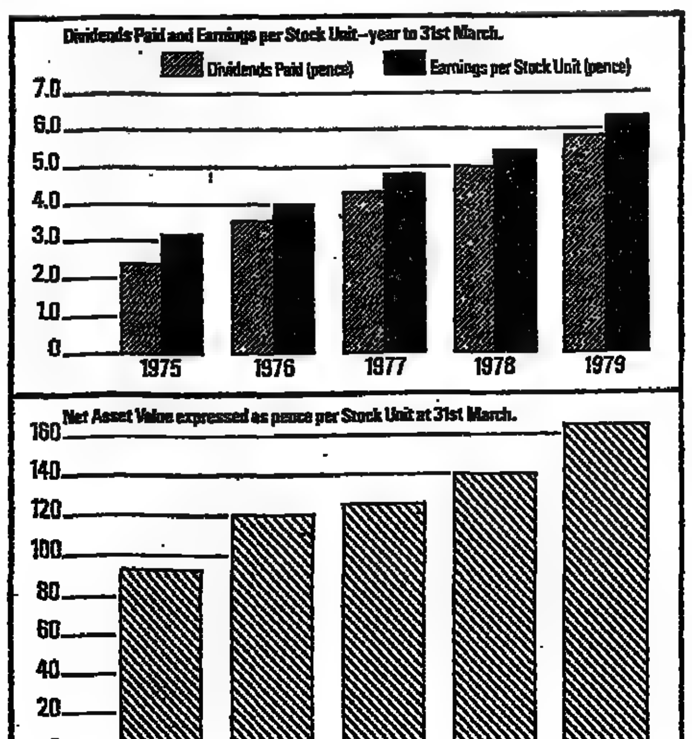
Net assets – £80,000,000

Our objective is to provide a diversified portfolio for the sophisticated investor interested in yield and special investment situations.

"The Company's policy is to invest domestically and overseas in both listed and unlisted companies. In the majority of cases these investments are expected to provide an above average total return.

Emphasis is placed on increasing the rate of dividend paid by the Company to its stockholders. Consequently, one of the fundamental criteria governing investment decisions is the ability of companies in which investments are made to increase their dividend each year.

Investment in unlisted companies remains an objective of the Company. The aim in this area is to make investments in companies which can provide an above average cash return, as well as having the potential for significant capital growth in the long term.



The Company would also like it to be known that it is prepared to consider any ideas put forward by senior executives of substantial companies which are presently subsidiaries of major public companies. These subsidiaries may no longer fit within the corporate pattern of the parent and may consequently be for sale. The Company's interest, in conjunction with other investors, would be to purchase these subsidiaries, giving their executive management a share in the equity to encourage them to develop their respective companies as independent concerns.

One of the strengths of the Company is that it is flexible and all proposals are handled by executives in a position to give a rapid decision in principle."

B. P. Jenks, *Chairman.*

* Earnings after tax for the year to 31st March 1979 £3,053,629, an increase of 15.55% over the previous year.
* Total dividend 5.8p per stock unit against 5.0p—an increase of 16%.
* Net asset value per stock unit at 31st March 1979 was 163¾p compared with 139⅝p—an increase of 17.3%.
* The record shows compound growth of 16% per annum in earnings over the previous five years.

For a copy of the Report and Accounts for 1978/79 please write to:
The Secretaries, Electra Group Services Limited, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP

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1

AN ELECTRA HOUSE COMPANY

EDGAR ALLEN, BALFOUR HAS A STRONG INDEPENDENT FUTURE

SINCE 1971 THE EAB GROUP HAS INVESTED NEARLY £18 MILLION IN NEW PLANT AND FACILITIES.

THIS INVESTMENT HAS INCLUDED:—

IN SPECIAL STEELS:

- Acquisition of Openshaw Special Steel Plant.
- Merger of Edgar Allen's and Balfour Darwin's Special Steel Divisions.
- Purchase and installation of a new GFM long forging machine—a major investment in advanced production technology.

IN OTHER DIVISIONS OF THE GROUP:

- Purchase of a unique forging press at a cost of £2.2 million keeping EAB in the forefront of modern forging technology.
- Development over seven years of a new patented process in powder metallurgy now in production.
- Major expansion of railway trackwork division to meet an increasing demand for rail systems worldwide.

EDGAR ALLEN, BALFOUR IS NOW SET TO REAP THE REWARDS FROM ITS INVESTMENT POLICY

EAB SHOULD REMAIN INDEPENDENT

The Directors of Edgar Allen, Balfour Limited, other than Mr. P. G. Moate who is resident in Australia, have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate and jointly and severally accept responsibility accordingly.

BIDS AND DEALS

Christopher Moran buying minority

Christopher Moran Group, the insurance broker, is buying out *the 20 per cent minority* in a subsidiary, Moran Gainher. The consideration will be 20 per cent of the average annual brokerage of Moran Gainher for the five years ending January 31, 1983.

The group is purchasing the 20 per cent minority from Mr. Simon Gainher, a director of the subsidiary. The overall consideration is subject to a maximum of £1.25m.

Of the total £37,500 is payable in cash when the agreement becomes unconditional and the balance is to be satisfied in Moran shares at the end of the five year period. An interim instalment, equal to £50,000, will become due in 1981 if the aggregate brokerage income of Moran Gainher for the period February 1, 1978, to January 31, 1981, is in excess of £1m.

Moran Gainher, a reinsurance concern specialising in aviation business, was *formed* in July 1975 and its brokerage income for the three years ended January 31, 1979, was £97,500, £129,000 and £300,000 respectively. Its taxable profits in the latest financial year were about £200,000 compared with £69,707.

Christopher Moran Group has appointed Viscount Hall, of Cynon Valley, as a group director and chairman. His previous appointments are that of director of investments of an affiliate of the World Bank and chairman *of the Post Office* Corporation.

The previous chairman, Mr. James Redgrove, is to remain on the Board as an executive director and, according to the company, will "devote more of his time and attention to the underwriting activities of the group at Lloyd's."

TRUST HOUSE FORTE

The Kuwait Investment Office has sold 250,000 shares in Trusthouse Forte, the hotel and leisure group, reducing its holding to 10.97m shares, representing 5.44 per cent of the equity.

A *Trusthouse Forte director*, Mr. G. F. L. Proctor, has a further non-beneficial interest in 813,760 ordinary shares which, with existing beneficial and non-beneficial holdings, makes a total of 11.02m shares (5.46 per cent).

SHARE STAKES

Jenks and Cattell: Mrs. Verity Anne Gibbons has sold 175,000 ordinary. She remains the holder of 174,462 (7.93 per cent) ordinary. Pentos is the ultimate holder of 175,000 (8 per cent) ordinary.

Bisichi Tin: Mr. E. S. Nassar acquired 10,000 shares June 18. According to company's records Mr. Nassar now holds 370,000 shares (5.66 per cent).

MINING NEWS

Charter makes a £20.2m potash write-off

BY KENNETH MARSTON, MINING EDITOR

LONDON'S Charter Consolidated has written-off its remaining investment in the 37½ per cent-owned struggling Cleveland Potash operation in Yorkshire. In the group's results for the year to March 31, this has cost £20.2m and covers loan guarantees. *In all some £120m* has gone into the mine since it started in 1973.

Charter and its partner, Imperial Chemical Industries, have jointly voted a further £8m to keep Cleveland going until the end of August, "before which time the future of the project will be reviewed by the partners."

The mine's production improved significantly to 212,000 tonnes in the six months to June 30 from 249,000 tonnes in the previous 12 months. But there was still a loss in the latest period of some £8m.

Charter's latest write-downs have been offset by a credit of £12.6m for tax relief in respect of losses on the abandoned Tenke Fungurume copper venture in Zaire and profits on the sale of investments.

Thus the net figure for extraordinary *items in the past* year amounts to £5.68m compared with £21.66m in 1977-78, the latter also covering provisions against Cleveland Potash as well as the investment in Botswana RST.

Meanwhile, Charter is modestly increasing its final dividend to 5.6p net—largely in line with the reduction in imputed tax credit and thus leaving the gross *amount at about* the same level as last year. The total amounts to 8.625p net against 8.30145p in the year to March 31, 1978.

	1978-79 £000	1977-78 £000
Investment income	19,517	21,054
Surplus on investts.	11,990	5,790
Trading profit	21,212	18,065
Making	52,719	44,909
Admin. expend., etc.	4,096	3,472
Prospecting expend.	1,079	981
Net interest payable	2,941	4,082
	8,116	8,515
Profit before tax	44,547	43,087
Taxation	17,965	14,387
Net profit	26,582	28,700
Minorities	3,591	3,265
Attributable	22,991	25,435
Dividends	9,043	8,703
Extraordinary debits	5,682	21,661
Retained profit	8,266	*4,929

* Deficit.

A reduction in investment income during the past year reflects the absence of the special dividend paid last time by Anglo American Corporation which resulted from the latter's extended accounting period of *15 months.*

The surplus on realisation of investments has been boosted by profits made on movements in the high dollar premium and the opportunities presented by the buoyant market in gold shares.

Trading profits have been helped by a full year's earnings of MK Refrigeration compared with only five months following the acquisition of this investment in 1977-78. Net interest payable has fallen in line with the higher cash balance and interest rates.

The £5.8m share of Cleveland's losses in the period has weighed earnings of other associated companies to leave a net loss of £56,000 from this *source against a profit of* £... last time when the potash mine was no tregarded in the accounts as having completed its development stage.

At the same time, there is a credit for tax relief for Cleveland's loss. After minorities Charter's latest attributable profit of £23m equals earnings of 21... per share compared with 24... a year ago.

As to Charter's current prospects and intentions, much will depend on what is decided regarding Cleveland Potash; a statement on this is expected before the annual meeting in August. Charter shares fell to 140p on the latest news yesterday.

See Lex

600 Group confident of improvement

Improvement on last year's results is confidently forecast by Sir Jack Wellings, the chairman of the 600 Group in his annual statement.

For the year ended March 31, 1979, pre-tax profits increased from £11.31m to £11.9m, on turnover of £197.6m against £175.2m—as reported June 8.

The machine tool division again achieved record results, but the improvement in the iron *and steel side from its low level* in the previous year, was more than offset by a fall-back in engineering.

In the latter division, strenuous sales efforts are being made both at home and overseas and with the recent introduction of two new models, signs for the current year are more encouraging, Sir Jack states.

Demand for the group's machine tool products remains high and the directors fully expect to achieve good results

Progress by More O'Ferrall

At the annual meeting of More O'Ferrall the chairman, Mr. E. R. More O'Ferrall, said: "All our enterprises are working very satisfactorily, and we are currently doing very god business." He was confident that results for this year would show a very satisfactory increase over those of last year.

Business in Eire continued to expand and he looked forward to a satisfactory return there during the coming year. Other operations in the EEC—France and Belgium—were also expanding.

Extel growth rate to continue

In his annual review Mr. John Harvey, chairman of Exchange Telegraph Company (Holdings) says he sees no reason why the group should not continue to maintain a *satisfactory rate of* profit growth.

"I believe Extel is even better placed than before to progress in its chosen fields of communications and information."

A continuing programme of investment is an integral part of the corporate plan, he states.

As reported on May 25, pre-tax profits advanced from £2.06m to a record £2.56m on turnover up from £20.96m to £23.02m. The dividend is raised to 6.04675p (5.46975p) per share.

On a CCA basis profits are reduced to £1.89m (£1.47m) after extra depreciation £594,000 (£608,000); cost of sales adjustment £76,000 (£9,000 added), the gearing factor £2,000 (£11,000 deducted).

As at balance date fixed assets stood at £15.28m (£7.11m), and there are net current liabilities of £304,000 (£575,000 net current assets).

Colmore Inv. shows advance

Profit of Colmore Investments climbed from £131,720 to £227,844 for the year to March 31, 1979, after all charges including tax lower at £40,284, against £59,130. Turnover by the company, which distributes motor vehicles and provides hire purchase finance, was £2.79m higher at £15.87m.

Net profit was 14 per cent higher at half-time, with sales ahead by a third, and a similar dividend was forecast.

In the event a net final of 1.4p puts the total at 2.4p (2.3958p). Earnings per 25p share for the year are stated at 4.96p (2.35p).

Pegler has good order book so far

Present order books at Pegler-Hattersley are good, Mr. J. M. Harrison, chairman, says in his annual statement. But it is difficult at this stage to predict the trading outcome in the current year.

Capital expenditure, although marginally lower in 1978-79, will increase this time as projects are authorised and commissioned. These include the building of the Ormskirk foundary to raise efficiency and capacity at a projected cost of some £3m, and a tooling programme at Paragon Plastics.

As reported on June 7, pre-tax profits reached £14.2m (£12.58m) in the year to March 31, 1979, on turnover up from £86.83m to £95.85m.

New Issue
July 5, 1979

All these bonds having been sold, this announcement appears as a matter of record only.

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Deutsche Bank Aktiengesellschaft
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DG Bank Deutsche Genossenschaftsbank
Dillon, Read Overseas Corporation
Dresdner Bank Aktiengesellschaft
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Commerzbank Aktiengesellschaft

Banque Nationale de Paris

Bank Mees & Hope NV

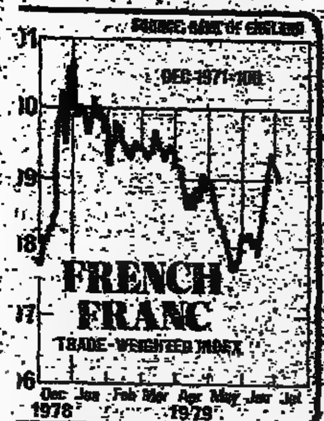
Pierson, Heldring & Pierson N.V.

5th July, 1979

CURRENCIES, MONEY and GOLD

Sterling firm

[ST]ERLING ROSE sharply in [yes]terday's foreign exchange [mar]ket in fairly active trading [with] demand firmly entrenched [ster]ling above the previous [psy]chological level of $2.20. [Aft]er opening at $2.2130, it rose [ste]adily during the day with [Ban]k of England intervention [rep]orted from about $2.2225 on[wa]rds. However this was not [hea]vy, but sufficient to make its [pre]sence felt. About half way [thr]ough the afternoon, sterling [rea]ched its peak of $2.2350 but



[ca]me back towards the close to [$2.]2250-2.2260, a rise of 2½c [fro]m Tuesday, and its best level [sin]ce June 1975. The pound also [reg]istered gains against [Eur]opean currencies and was [quo]ted at DM 4.085 against the [D-m]ark compared with DM 4.055 [pre]viously.

[S]terling's overall improvement [wa]s reflected in its trade [wei]ghted index, as calculated by [the] Bank of England. This rose [to] 70.9 from 70.4, having [tou]ched 71.1 at noon from 70.8 [in] the morning. This was its [bes]t level since February, 1975.

Trading in the U.S. dollar was affected by the closure of U.S. centres for July 4 celebrations. Support for the U.S. unit did not appear to be forthcoming from major banks and it showed a moderate fall against most currencies. Against the D-mark it fell to DM 1.8340 from DM 1.8400 to SwFr 1.6500 from SwFr 1.6570 in terms of the Swiss franc. The dollar also lost ground against the Japanese yen to Y216.80 from Y218.40. On Bank of England figures, the dollar's trade weighted index fell from 85.1 to 84.6.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed at its lowest level since January at DM 1.8367 compared with Tuesday's level of DM 1.8453. Trading was quiet with U.S. centres closed for Independence Day. Elsewhere sterling continued to improve and was fixed at DM 4.0930 compared with DM 4.0540 on Tuesday.

AMSTERDAM—The D-mark was fixed at Fl 110.275 per DM 100 compared with Fl 110.055 on Tuesday, and closer to its ceiling level of Fl 10.835.

MILAN—Sterling continued to improve against the lira on reports of a new oil find in the North Sea and was fixed at L1,838.70 compared with L1,821.20 previously. The lira was firmer against the dollar while EMS currencies remained steady. The U.S. unit eased to L825.45 from L829.70 and the D-mark was quoted at L449.47 from L449.60 with the French franc at L193.36 against L193.79.

TOKYO—The dollar reversed its recent firmer trend yesterday and eased to Y217.575 from Y218.20 on Tuesday.

THE POUND SPOT AND FORWARD

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2130-2.2350	2.2250-2.2260	0.90-0.80c pm	4.58	1.97-1.87 pm	3.45
Canada	2.5725-2.5970	2.5855-2.5865	0.85-0.75c pm	3.71	2.05-1.95 pm	3.09
Nethlnd.	4.47½-4.52½	4.50-4.51	2⅝-1⅝c pm	5.60	5⅞-4⅞ pm	4.72
Belgium	65.05-65.80	65.40-65.50	20-10c pm	2.75	42-32 pm	2.26
Denmark	11.71-11.81	11.75½-11.76½	¾ore pm-1¼o dis	−0.25	par-2 dis	−0.34
Ireland	1.0800-1.0835	1.0818-1.0828	45-55p dis	−5.54	100-115 dis	−3.96
W. Ger.	4.06-4.11	4.08-4.09	3½-2½pf pm	8.44	8-7 pm	7.34
Portugal	108.20-109.60	108.30-108.70	30-90c dis	−6.63	120-220 dis	−6.27
Spain	146.55-147.50	147.00-147.10	45-95c dis	−5.71	100-200 dis	−4.08
Italy	1,829-1,843	1,833½-1,834½	½lire pm-1½l dis	−0.33	2½-4½ dis	−0.76
Norway	11.22-11.31	11.25½-11.26½	5½-3½ ore pm	4.79	14½-12½ pm	4.88
France	9.43-9.54	9.49-9.50	3¼-2¼c pm	3.47	6½-5½ pm	2.42
Sweden	9.39½-9.46½	9.43½-9.44½	4-2 ore pm	3.81	8-6 pm	2.97
Japan	478-488	482-493	4.30-4.00y pm	10.32	10.45-10.15pm	8.54
Austria	29.85-30.15	29.95-30.00	22-12 gro pm	6.80	53-43 pm	6.40
Switz.	3.64½-3.69½	3.67-3.68	4½-3½ pm	13.48	12½-11½ pm	12.92

Belgian rate is for convertible francs. Financial franc 68.75-68.85c pm. Six-month forward dollar 2.95-2.85c pm: 12-month 4.70-4.60c pm.

THE DOLLAR SPOT AND FORWARD

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2130-2.2350	2.2250-2.2260	0.90-0.80c pm	5.12	1.97-1.87 pm	3.32
Ireland†	2.0525-2.0600	2.0550-2.0600	1.75-1.50c pm	9.48	4.20-3.90pm	+7.87
Canada†	85.99-86.06	86.03-86.06	0.07-0.05c pm	0.13	0.11-0.08 pm	0.44
Nethlnd.	2.0225-2.0255	2.0225-2.0245	0.32-0.25c pm	1.69	0.92-0.82 pm	1.72
Belgium	29.38-29.47½	29.39-29.41	3-5c dis	−1.63	6-9 dis	−1.02
Denmark	5.2835-5.2930	5.2835-5.2860	1.70-2.20 ore dis	−4.43	4.70-5.20dis	−3.75
W. Ger.	1.8328-1.8379	1.8340-1.8350	0.68-0.50pf pm	4.01	1.94-1.84 pm	4.01
Portugal	48.70-48.90	48.74-48.84	35-45c dis	−9.84	90-130 dis	−9.02
Spain	66.09-66.14	66.10-66.14	35-45c dis	−7.26	115-135 dis	−7.56
Italy	824.00-826.50	824.00-824.50	2.50-3.50lire dis	−4.37	8.50-9.50dis	−4.36
Norway	5.0690-5.0875	5.0590-5.0600	0.70-0.20 ore pm	1.07	2.40-1.90 pm	1.70
France	4.2615-4.2725	4.2630-4.2660	0.25-0.35c dis	−0.84	0.95-1.15dis	−0.98
Sweden	4.2392-4.2435	4.2410-4.2420	0.20-0.40 ore dis	−0.85	0.25-0.45dis	−0.33
Japan	216.40-216.95	216.60-216.80	1.10-1.00y pm	5.81	2.85-2.75 pm	5.17
Austria	13.46½-13.50½	13.46½-13.47½	3.40-2.90 gro pm	2.81	11.25-9.75 pm	3.12
Switz.	1.6492-1.6505	1.6492-1.6502	1.35-1.30y pm	9.84	4.08-4.03	9.83

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

July 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.589100	0.622863
U.S. $	9½	1.29223	1.36843
Canadian $	11¼	1.50596	1.59970
Austria Sch.	3¾	17.3891	18.5628
Belgian F.	9	38.2306	40.4919
Danish K.	8	6.87660	7.27498
D mark	4	2.38684	2.52612
Guilder	7	2.62517	2.77969
French Fr.	9½	5.53591	5.86099
Lira	10½	1072.23	1135.46
Yen	4¼	281.835	299.372
Nrwgn. K.	7	6.54902	6.94410
Spanish Pes.	8	85.4810	90.5285
Swedish Kr.	6½	5.51071	5.83814
Swiss Fr.	1	2.14588	2.27152

CURRENCY MOVEMENTS

July 4	Bank of England Index	Morgan Guaranty changes %
Sterling	70.9	Unavail.
U.S. dollar	84.6	..
Canadian dollar	81.0	..
Austrian schilling	147.5	..
Belgian franc	115.9	..
Danish kroner	113.7	..
Deutsche Mark	151.6	..
Swiss franc	198.1	..
Guilder	123.0	..
French franc	99.0	..
Lira	55.0	..
Yen	152.0	..

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

July 4	£	$		£ Note Rates
Argentina Peso	2933-2953	1320-1325	Austria	29-30
Australia Dollar	1.9790-1.9830	0.8890-0.8910	Belgium	67.5-68.5
Brazil Cruzeiro	57.52-58.52	25.85-26.30	Denmark	11.60-11.75
Finland Markka	8.56-8.57	3.8465-3.8510	France	9.30-9.45
Greek Drachma	79.985-81.875	35.90-36.80	Germany	4.00-4.10
Hong Kong Dollar	11.305-11.320	5.0930-5.0980	Italy	1,800-1,825
Iran Rial	161.35-166.91	72.5-75.0	Japan	475-485
Kuwait Dinar (KD)	0.607-0.617	0.2758-0.2759	Netherlands	4.44-4.50
Luxembourg Frc.	65.40-65.50	29.41-29.43	Norway	11.10-11.20
Malaysia Dollar	4.8065-4.8165	2.1700-2.1720	Portugal	102-106
New Zealand Dlr.	2.1850-2.1910	0.9820-0.9845	Spain	142-146
Saudi Arab. Riyal	7.45-7.55	3.3780-3.3800	Switzerland	3.60-3.70
Singapore Dollar	4.8085-4.8165	2.1680-2.1690	United States	2.19-2.20
Sth. African Rand	1.88-1.89	0.8450-0.8495	Yugoslavia	40-45

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 4	% change from central rate	% change adjusted for divergence	Divergence limit %
[Belg]ian Franc	39.4582	40.5285	+2.71	+1.49	±1.53
[Dan]ish Krone	7.08592	7.27290	+2.64	+1.42	±1.635
[Germ]an D-Mark	2.51064	2.52772	+0.68	−0.54	±1.1325
[Fren]ch Franc	5.79831	5.87641	+1.35	+0.13	±1.35
[Dut]ch Guilder	2.72077	2.78748	+2.45	+1.23	±1.5075
[Irish] Punt	0.662638	0.668708	+0.92	−0.31	±1.665
[Itali]an Lira	1148.15	1136.33	−1.03	−1.03	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

[E]XCHANGE CROSS RATES

July 4	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
[Pou]nd Sterling	1.	2.226	4.085	482.5	9.495	3.675	4.503	1834.	2.586	65.45
[U.S.] Dollar	0.449	1.	1.836	216.8	4.266	1.651	2.024	824.1	1.162	29.41
[Deu]tschemark	0.245	0.545	1.	118.1	2.324	0.900	1.103	449.0	0.633	16.02
[Jap]anese Yen 1,000	2.075	4.612	8.466	1000.	19.68	7.617	9.337	3801.	5.360	135.6
[Fre]nch Franc 10	1.053	2.344	4.302	508.2	10.	3.870	4.745	1932.	2.724	68.93
[Swi]ss Franc	0.272	0.606	1.112	131.6	2.584	1.	1.226	499.0	0.704	17.81
[Dut]ch Guilder	0.222	0.494	0.907	107.6	2.108	0.816	1.	407.1	0.574	14.53
[Itali]an Lira 1,000	0.545	1.213	2.227	263.7	5.177	2.004	2.456	1000.	1.410	35.69
[Can]adian Dollar	0.387	0.861	1.580	187.6	3.672	1.421	1.742	709.2	1.	25.31
[Belg]ian Franc 100	1.528	3.400	6.241	748.4	14.51	5.615	6.883	2802.	3.951	100.

[EU]RO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 per cent; three months 10.45-10.55 per cent; six [mon]ths 10.35-10.45 per cent; one year 9.95-10.05 per cent.

July 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
[Sho]rt term	14½-14⅞	10⅜-10⅝	9¾-10½	7⅞-8⅛	¼-⅜	5⅞-5⅞	8¾-9¼	30-35	—	3¼-5⅛
[7] days' notice	14½-14⅞	10½-10¾	9½-10½	7⅞-8⅛	⅛-⅜	5½-5¾	8¾-9¼	19-20	10⅛-10⅝	5¼-4½
[Mo]nth	14¼-14½	9⅞-10⅛	10⅝-11	8⅛-8⅜	⅝-⅞	5½-5⅞	10⅜-10⅞	13½-14½	9⅞-10⅛	3⅞-4⅛
[Thr]ee months	13¾-14	10⅜-10⅝	10⅞-11⅛	8¼-8⅝	⅞-1⅛	6⅛-6⅜	11⅛-11⅜	13½-14½	10½-10⅝	5⅛-5⅜
[Six] months	13¼-13½	10¼-10½	10⅞-11⅛	9⅛-9½	1¼-1⅞	6⅞-7	11¼-11⅝	14-15	10⅛-10⅜	5⅛-6⅛
[One] year	12⅝-12⅞	10⅛-10⅜	10¼-10⅝	9⅛-9½	2⅛-2⅜	7⅛-7⅜	11⅛-11⅝	14½-15½	10¼-10½	6-6⅛

Long-term Eurodollar: two years 9⅞-10⅛ per cent; three years 9⅞-10 per cent; four years 9⅞-9⅞ per cent; five years 9⅞-9⅞ per cent nominal closing [rate]s. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates [in S]ingapore.

[IN]TERNATIONAL MONEY MARKET

European rates continue firm

[I]nterest rates continued to rise [in] Europe yesterday as further [ga]ins within the EMS put pres[sur]e on the weaker members and [as] concern grew over the [eco]nomic effects of higher oil [pri]ces. In Paris call money [rea]ched 8⅞ per cent, its highest [lev]el since April last year and [com]pared with Tuesday's rate of [8¾] per cent, and 8½ per cent a [we]ek ago. In the longer term, [one] and three-month money [rem]ained at 8⅞-9 per cent and 9¼ per cent respectively, with [the] six-month rate at 9⅛-9⅜ per [cen]t, while 12-month money rose [to] 10⅛-10⅜ per cent from 10⅛-10¼ [per] cent.

[A]MSTERDAM — The effects [of] a strong D-mark began to [ma]ke themselves felt, with [lon]ger term rates showing a [fir]mer tendency. Intervention by [the] authorities have only [ach]ieved a slowing down effect as the guilder slowly moves towards its floor level against the D-mark within the EMS. This has tended to push up interest rates, with three-month interbank money quoted at 8⅞-9 per cent compared to 8½ per cent a week earlier. Further rises seem inevitable should the authorities find it necessary to continue supporting the guilder. Last week the Netherlands Bank's gold and foreign currency reserves fell by a small Fl 46m to Fl 25.2bn. Other money rates were quoted at 8-8½ per cent for call money against 7¾-8 per cent and 8½-8¾ per cent from 8-8½ per cent for one-month.

FRANKFURT — Call money was quoted at 5.55-5.65 per cent against 5.60-5.70 per cent on Tuesday, while longer-term rates all showed a firmer tendency. One-month money rose to 6.10-6.20 per cent from 5.95-6.10 per cent and three-month money to 6.80-6.90 per cent against 6.60-6.75 per cent. The six-month rate rose from 7.10-7.25 per cent to 7.25-7.35 per cent and 12-month money firmed to 7.40-7.50 per cent compared with 7.25-7.40 per cent previously.

BRUSSELS — Deposit rates for the Belgian franc (commercial) showed little overall change, with one-month deposits at 11⅛-11⅜ per cent against 11⅛-11⅜ per cent, and three-month deposits at 11⅛-11⅜ per cent from 11⅛-11⅜ per cent. The six-month rate was quoted at 10⅞-11 per cent against 10⅞-11 per cent, while 12-month deposits rose to 10⅝-10⅞ per cent from 10½-10⅝ per cent.

HONG KONG — Money market conditions were generally easy throughout, with call money quoted at 10¾ per cent and overnight business dealt at 10 per cent.

GOLD

Record level

Gold rose to a record closing level in the London bullion market yesterday to finish at $283¾-284, a rise of $1¾ an ounce from Tuesday. There was a reasonable amount of activity despite the closure of U.S. markets. The metal opened at $282¾-283¾ and at one point equalled its all-time high of $284½-285. Demand was prompted by further currency unrest and higher oil prices. The Krugerrand's premium over its gold content narrowed very slightly to 3.13 per cent from 3.15 per cent previously.

In Paris the 12½ kilo bar was fixed at FFr 40,900 per kilo ($297.88 per ounce), compared with FFr 40,990 ($298.99) in the morning and FFr 40,500 ($294.04) on Tuesday afternoon.

GOLD

	July 4	July 3
Gold Bullion (fine ounce)		
Close	$283¾-284 (£127.2-127.6)	$281¾-282½ (£128.8-128.4)
Opening	$282¾-283¾ (£127.8-127.5)	$281½-282¼ (£128.7-128.8)
Morning fixing	$283.30 (£127.461)	$281.80 (£128.852)
Afternoon fixing	$283.50 (£127.273)	$281.35 (£128.178)
Gold Coins, domestically		
Krugerrand	$291½-293½ (£131-132)	$290-292 (£131½-132½)
New Sovereigns	$73½-75½ (£33-34)	$72¾-74¾ (£33-34)
Old Sovereigns	$90¼-92¼ (£40½-41½)	$88-90 (£40-41)
Gold Coins, internationally		
Krugerrand	$291½-293½ (£131-132)	$290-292 (£131½-132½)
New Sovereigns	$73½-75½ (£33-34)	$72¾-74¾ (£33-34)
Old Sovereigns	$90¼-92¼ (£40½-41½)	$88-90 (£40-41)
$20 Eagles	$403-408	$403-408
$10 Eagles	$224-229	$223-228
$5 Eagles	$160-165	$159-164

[U]K MONEY MARKET

Further large assistance

[B]ank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The repayment of Tuesday's [lar]ge market advances was seen [as] the main reason behind [ye]sterday's shortage in the [Lo]ndon money market, and the [au]thorities intervened on a [lar]ge scale by buying a small [am]ount of Treasury bills and a [sm]all number of corporation [bil]ls all direct from the discount [ho]uses. In addition they lent a further large amount to eight or nine houses at MLR for repayment today. The market was helped by a small excess of Government disbursements over revenue transfers to the Exchequer while factors against the market included a small net take up of Treasury bills to finance.

Discount houses were paying 13½-13¾ per cent for secured call loans at the start, but rates declined after the Bank's assistance, with closing balances found as low as 9 per cent in places.

In the interbank market overnight loans opened at 14⅛-14¼ per cent and rose to 14½-14¾ per cent before easing back to 14-14¼ per cent. Rates then eased further to 13-13¼ per cent, rose briefly to 13¾-14 per cent, and subsided towards the close to 7 per cent.

Rates in the table below are nominal in some cases.

[LO]NDON MONEY RATES

July 4 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
[Ove]rnight	—	7-14¾	—	—	—	14⅜	9-14	—	—	—
[2 d]ays notice	—	—	14⅛-14¾	—	—	—	—	—	—	—
[7 d]ays or	—	—	—	—	—	—	—	—	—	—
[7 d]ays notice	—	14⅛-14⅜	14⅛-14¾	—	14¾	14⅜	14	—	—	—
[On]e month	14⅛-14⅛	14⅛-14½	14¼-14⅜	14⅛-14½	14½	14⅝	14	13⅞-13⅞	14⅛-14⅛	14½
[Tw]o months	14⅛-14	14⅛-14⅛	—	14½-14¼	14⅛	14¼	13⅞	13⅞	13⅞-13⅞	14⅜
[Thr]ee months	13⅞-13⅜	13⅞-13⅞	13¾-14	13⅞-13½	14¼	—	13⅜	13¼-13⅜	13⅞-13⅜	14¼
[Six] months	13⅛-12⅞	13⅛-13⅛	13⅛-13⅜	12¼-12⅛	13½	—	—	—	12⅞-12⅞	14⅛
[Nin]e months	12⅝-12⅜	12⅞-12⅝	—	12⅝-12¼	13	—	—	—	—	—
[On]e year	12¼-12	12⅛-12⅞	12⅝-12½	12⅜-12	12⅝	—	—	—	—	—
[Tw]o years	—	—	12⅞-12⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage [rat]es nominally three years 12⅞-12⅝ per cent; four years 12⅞-12⅝ per cent; five years 12⅞-12⅝ per cent. ◆ Bank bill rates [in t]able are buying rates for prime paper. Buying rate for four-months bank bills 13½-13⅜ per cent; four-months trade bills [14] per cent.

Approximate selling rate for one-month Treasury bills 13⅝-13⅝ per cent; two-months 13⅝-13⅝ per cent; three months 13⅝-13⅝ per cent. Approximate selling rates for one-month bank bills 13⅞-14 per cent; two-month 13⅞-13⅞ per cent; and [thre]e-month 13⅞-13½ per cent; one-month trade bills 14⅛ per cent; two-month 14⅛ per cent; and three-month 14⅛ per cent.

Finance House Base Rate (published by the Finance Houses Association) 13 per cent from July 1, 1979. Clearing [Ban]k Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. [Tre]asury Bills: Average tender rates of discount 13.3295 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed Funds	10.25
Treasury Bills (13-week)	8.99
Treasury Bills (26-week)	8.89
GERMANY	
Discount Rate	4
Overnight Rate	5.60
One month	6.15
Three months	6.85
Six months	7.30
FRANCE	
Discount Rate	9.5
Overnight Rate	8.625
One month	8.9375
Three months	9.4375
Six months	9.8125
JAPAN	
Discount Rate	4.25
Call (Unconditional)	5.5625
Bills Discount (three-mth.)	6.1875

This announcement appears as a matter of record only.

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Agent
The Long-Term Credit Bank of Japan, Limited

April, 1979.

Landesbank Rheinland-Pfalz.
A good Year in Figures.

Balance Sheet 1978

	in millions of DM 1978	1977	+%
Volume of business	23,292	20,424	+14.0
Total assets	22,713	19,678	+15.4
Loans and advances	16,349	14,160	+15.5
Securities	1,901	1,659	+14.6
Deposits	9,497	8,250	+15.1
Bonds	9,290	7,995	+16.2
Capital & reserves	426	369	+15.4
Fiduciary accounts	2,183	2,067	+ 5.6
Building society	1,116	835	+33.7
Profit after taxes	50	43	+16.3
Number of employees	1,771	1,700	+ 4.2

For further information please write in for our annual report.
Marketing and Public Relations Department,
Landesbank Rheinland-Pfalz, Grosse Bleiche 54–56, D-6500 Mainz.

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INTERNATIONAL COMPANIES and FINANCE

European Investment Bank plans public tender offer

BY FRANCIS GHILÈS

IN A MAJOR development in Eurobond market practices, the European Investment Bank is inviting about 50 international banks to make competitive bids for a public Eurobond issue of between $100-150m.

Details of the issue were announced last night. The *essential innovation is that the* formal structure of commissions paid by the borrower to the issuing banks is abandoned. *Banks are asked to quote the* net proceeds they are offering the EIB. The price to the investors and the rewards to the *banks are for the banks them*selves to decide, after judging the level of investor demand and assessing the mood of the market.

Through this latest tactic, the EIB is aiming to reduce the cost of its own bond flotations. But its financial director, M. André George, has stressed in recent weeks that he wants to see the small investor get a better deal in the Eurobond markets.

The maturity of this issue will be 10 years and a purchase fund, if fully operational, will reduce the average life of the bonds to 8½ years. The coupon has been set at 9.70 per cent.

Optional redemption of the bonds will be possible at 100½ in 1985, 100½ in 1986, and 100¼ in 1987.

Banks are being invited to submit a firm tender for the *purchase of* all or part of the issue on the basis of one price for one or more tranches of $25m. Banks will be able to put in more than one tender for a given tranche or number of tranches, at *different* prices.

When it has received all the bids, the EIB will accept one purchase price covering the entire issue and will select the most advantageous tenders. Starting with the highest bids, the lead manager will thus be accepting all tenders down to the price at which the amount required was just covered.

"Immediately after the bonds have been delivered," the invitation telex says, "the EIB will publish, at its expense, in several newspapers, a tombstone detailing, in order of amount allotted and in alphabetical order for each tranche, the banks selected via this tendering procedure."

In recent weeks, the reaction of major banks to the very idea of introducing a tender system *into the Eurobond market* has been mixed. Those large banks which have traditionally managed issues for the EIB, whether denominated in dollars, Deutsche - Marks or Swiss Francs, have poured cold water on the idea. Deutsche Bank in particular has made no secret of its feelings.

Other banks in London and other European centres have adopted a "wait and see" attitude.

Some banks welcome the idea of a tender system: among these is Citicorp International Bank. However, Citicorp commented that "the introduction of publicity tends to weaken the whole idea of tender because its reintroduces the prestige element. Furthermore, limitation of the bidding to a few houses suggests that the bonds will be less widely placed than could have been the case and could conceivably allow for the emergence of a grey market."

EUROBONDS

Itel bond price drops sharply

BY OUR EUROMARKETS STAFF

THE RECENT $40m 10¼ per cent Eurodollar bond offering from Itel Corporation, the major U.S. leasing company, was being tentatively quoted at a sharply lower price level yesterday, the bonds being indicated at 88 to 90, dealers said.

In San Francisco, Itel released a statement saying that it had reached arrangements with its banks providing for more than $87m of additional short-term funds to be used for working capital.

As part of a credit realignment with its banks, Itel has agreed to suspend payment on cash dividends on common stock at least through to January, 1980. It explained that it would suffer greater than anticipated losses in computer activities, as well as a loss in transport equipment.

It is understood that the Itel management will be travelling to London next week for talks.

In the dollar bond market yesterday, most prices were little changed. Eurosterling bonds received further support in the wake of the strengthening sterling exchange rate, which moved over $2.23 at one stage. Although profit-taking later *checked* the advance in sterling issues, several bonds are now up three to four points on the week so far.

Lehman Brothers Kuhn Loeb Inc. is arranging a 20-year $125m Yankee bond for the European Coal and Steel Community. Final terms will be fixed towards the end of this month.

In the Deutsche-Mark sector, prices were essentially unchanged with a low volume of activity. The issue for the World Bank, which was priced at 100½ on Tuesday, was trading at a discount of between ¾ and ½ of a point.

New issue activity in the Swiss Franc sector remains high. A SwFr 16m 12-year public issue for Manufrance is being arranged by Banque Gutzwiller, Kurz, Bungener. The borrower is paying a coupon of 5½ per cent, with pricing expected at par. This issue is guaranteed by the City of Saint Etienne.

Another French borrower, Electricité de France, is arranging a SwFr 100m seven-year private placement at 4¾ per cent through UBS.

Following the recent private placement for the Republic of South Africa through Swiss Bank Corporation, UBS is arranging a SwFr 30m five-year private placement for the Industrial Development Corporation of South Africa. The borrower is *paying a coupon of 5¾ per cent* with a final price of par.

Four private placements of convertibles for Japanese com*panies are being arranged*, all through Swiss Bank Corporation. Gunei Chemical Industries is raising SwFr 20m for five years and three months, with a coupon of 4¾ per cent and a final price of par, while Odakui Railway is raising SwFr 25m for five years and two months with a coupon of 4½ per cent and a final price of par.

The third convertible is for Fujiya Confectionary Co. Ltd, for SwFr 30m. The maturity of this issue is five years and two months, the coupon 4¾ per cent with final pricing expected at par.

Crédit Suisse is arranging a SwFr 100m five-year convertible for Sanyo Electric, which includes a coupon of 4½ per cent and is expected to be priced at par.

Prices of foreign issues in the Swiss sector were a little easier yesterday, mainly as a result of the weakness in the domestic Swiss franc market. This weakness stems mainly from the absence of support given to the domestic sector by the Swiss National Bank so far this week.

In the Middle East, the KD7m issue for Indonesia which matures in 1986-91 and carries a coupon of 8¾ per cent, has been priced at 99¾ by the lead manager, KIIC.

A KD10m five-year issue for Mitsubishi Heavy Industries with an indicated coupon of 7½ per cent is expected *shortly* through Kuwait Investment Company. This issue will be guaranteed by Mitsubishi.

EUROCURRENCY FINANCING

Bank chief warns of controls

BY JOHN EVANS

SIR JEREMY MORSE, chairman of Lloyds Bank Group, has *warned that the imposition of* controls on the Eurocurrency markets could ultimately damage its ability to recycle *surplus funds from the OPEC* states back to the oil-consuming nations.

The Eurocurrency system *played a fundamental role in* recycling funds after the 1974 oil crisis and it is crucial that it do so again, the British *banker, speaking in Singapore* yesterday, said.

The expected economic downturn in industrialised countries *next year could otherwise* develop into a major depression, he told Reuter.

Any attempt by central banks to impose reserve requirements on the offshore money markets *would be "absolutely* untimely."

Nevertheless, Sir Jeremy said it was important that central *banks should reinforce the pru*dence of commerial bank risk assessments to minimise the dangers of over-borrowing by *some countries.*

Sir Jeremy, the former chairman of the IMF Committee of Twenty on world monetary *problems, has voiced a concern* which is being increasingly shared by international bankers. The possibility of Euromarket *controls, at a time when com*mercial banking intermediation in the market will be necessary in order to finance deficits in the non-oil world, could seriously hamper the task of re*cycling, they believe.*

At the same time, bankers do concede that a substantial expansion in liquidity in the *Euromarkets is in immediate* prospect, as a result of the transfer of fresh monetary resources into the hands of oil*-exporting countries following oil* price increases.

● The $850m credit for Venezuela, now being arranged *by Citicorp, comprises* two tranches, **writes Rosemary Burr.** A $200m 12-year portion carries a margin of ¾ per cent for the *first four years and ⅞ per cent* thereafter, and a $650m 10-year tranche carries a spread of ¾ per cent throughout.

SYNDICATED LOANS

Competition stiffens as margins shrink

BY JOHN EVANS

TRADITIONAL BANK underwriting and managing group practices in the syndicated loans market appear to be breaking down under the in*tensive pressure among* banks for new business.

As the return on Eurocurrency credits approaches razor-thin levels, certain banks are turning increasingly to what some market participants consider to be a variety of un*ethical* devices in order to preserve their share of the loan market.

In its Financial Markets Trends publication, the OECD this week spelled out the extent of competition and its impact on loan spreads. An im*portant factor in declining* margins has been the "unabatedly fierce competition between financial institutions participating in the market, especially for the profitable and much coveted management positions."

*The main concern over pre*sent trends centres, according to participants, on the decision of some banks to pass on to par*ticipating banks a growing* portion of the attractive fees, which are earned as a result of taking a management position in a loan. Such a position often means that a bank in turn has to underwrite a substan*tial portion of the credit.*

The impetus behind this "free sharing" is not hard to find. An underlying trend in the Euromarket *in recent months* has been the poor record of many loans once placed into general syndication—the process whereby the managing banks sell off part or even all of their underwriting positions.

A growing number of the smaller and medium-sized Euromarket banks, which act as pure participants in syndicated loans, are now proving unwilling to lend funds at today's margins. A bank at this relatively lowly level in the syndication generally gets only ⅛ or ¼ per cent front-end payment as a "sweetener," while managing banks share an overall fee ranging to ½ per cent or more.

Such fees have taken on *increasing* importance as a supplement to the basic lending margin over interbank rates. Equally important, many banks *immediately include profits from* such fees in their balance-sheets, and thus help to provide a "cosmetic" picture of earnings from international loan activity.

Certain banks which regularly take management positions now appear to be reaching private arrangements under which they agree to pass on a share of this fee in order to ensure that their underwriting *commitments are* sold on.

Such fee-sharing can boost the immediate benefit to the institution coming into a syndicate by as much as ⅛ per cent.

The tactic is heatedly condemned by many major banks. They charge that the technique is contrary to the unwritten rules of loan syndication.

The chief fear is that it could quickly generate a free-for-all under which the whole process of placing loans could become a complicated system of haggling, as every bank negotiated *its own particular set of* fees.

Some banks claim that if fee-sharing was arranged before *the signature of the loan*, the offending institutions would not be brought into their future syndications.

However, some participants believe the momentum towards such market practices is unavoidable.

Banks have already evolved a system under which they presell sub-participation certificates in syndicated loans, in order to ensure they can generate sufficient placing power to take a management position in a loan, participants point out.

Such certificates enable a bank to on-lend a "seasoned" loan, which has already been signed and completed, to another bank. They can be useful when a bank wants to reduce its exposure to a certain borrower or geographical area, or avoid touching prudential limits to a specific borrower when a new loan is floated.

By pre-selling these certificates to a number of other institutions, a bank can be assured that it can take a size*able management position with*out the danger of having to swallow the whole of its underwriting position.

The system is also typically used by the smaller bank which would not necessarily have the individual muscle to take on a *big underwriting commitment.*

Such tactics are implicitly based on the agreement that the operations will be completed once the loan is signed, and are generally accepted in markets.

There are parallels between current developments in syndicated loans and similar trends in the Eurobond market, which is also the middle of a heated debate over the role of the "grey" market and the pre-trading of bonds before the subscription period ends.

These practices are rooted in the determination of many issuing houses to inflate their placing power, and thus establish themselves high in the bond management rankings and gain access to increased fee income.

In this case, the houses have agreed to pass on a substantial portion of their underwriting commissions to institutional investors, *in order to tempt the* latter into their deals. The practice is so widespread that it is now an established fact of *life in the Eurobond market.*

But the majority of banks in syndicated loans appear set against the institutionalisation of similar fee-sharing practices in their own market.

Flick group to step up investment in U.S.

By Roger Boyes in Bonn

WEST GERMANY'S largest privately controlled industrial holding company, the Flick group, has announced comprehensive plans for the 1980s which will include more involvement in the U.S., increased research in energy fields and a large capital expenditure programme.

Flick, whose main interests include foundries and mechanical engineering industries, chemicals, paper and board and plant construction, is clearly still riding the crest of the huge capital inflow that has dictated the group's policies over the past three years.

The company received DM 1.9bn for the sale of 29 per cent of Daimler Benz to Deutsche Bank. To benefit fully from German tax legislation, the money had to be invested before the end of 1978. The group is believed still to have about DM 1bn in hand.

Last year Flick stepped up its holding in W. R. Grace, the U.S. chemical and fertiliser producer, from 12 per cent to 33 per cent after an offer of $258m. This is now one of the fastest growing of Flick's interests. Sales increased by 5 per cent to $4.3bn, with net operating income up by about 9 per cent.

Apart from more investment in Grace during the 1980s, Flick is also to pump more into the U.S. Filter Corporation, a leading engineering supplier for the energy industries. After the $100m purchase of convertible preference stock, Flick acquired a 34.5 per cent of U.S. Filters's total voting stock last year.

U.S. Filters fits well into Flick's general energy plans which are focussed on "new energy technologies." In practice this has meant intensified research into coal gasification and in the case of the major Buderus subsidiary, heat pumps, solar collector systems and electronically controlled low temperature heating systems. Buderus contributed DM 3.8bn to the DM 7.6bn turnover total of the Flick group in 1978. This total turnover was up from DM 6.6bn in 1977.

Net profits, traditionally low in Flick, in relation to sales totalled DM 73m against DM 58m in 1977. Of the other major subsidiaries, the Dynamitz Nobel chemicals group had a turnover of DM 2bn while the Feldmuehle paper group contributed about DM 1.8bn. The other consolidated companies had a turnover of DM 50m.

Flick increased sales in 1978 by about 14.5 per cent over 1977—much of which was accounted for by the armaments supply business of Krauss Maffei. This had an *unusually high turnover and* sales which have distorted Flick's figures. If arms sales are substracted from the total, the *sales* increase was about 3 per cent. This said, Dr. Friedrich Karl Flick, the group's chairman, was dis*appointing growth, dictated* by sluggish business conditions.

However, growth is accelerat*ing, bringing with it the* danger of over-heating in some product groups. Flick recorded group sales of *DM4.3bn in the first half of* this year, a rise of 16 per cent. Even if Krauss Maffei arms sales are subtracted, *growth in the first half is 12* per cent.

There is expected to be a slight slowdown in the second half, and group sales should emerge 8 per cent higher than in 1978. All the major Flick subsidiaries report improved trading. Buderus achieved a sales increase of over 20 per cent in the first half.

VW examines feasibility of a second U.S. factory

BY LESLIE COLITT IN BERLIN

VOLKSWAGEN confirmed yesterday that *its spending pro*gramme over the next three years will be the company's largest ever. In total, it amounts to DM 8.9bn ($4.8bn), with DM 5.7bn now being added to a figure of DM 3.2bn already appropriated.

Herr Toni Schmuecker, the chairman, told shareholders at the annual meeting in Berlin that while the bulk of the money will be spent in Germany there will be a major expansion of production in the U.S. and Mexico. A second VW factory in the U.S. is under serious consideration, although no final decisions have yet been taken. In 1978 capital spending totalled DM 1.9bn.

In answer to a shareholder's question, Herr Schmuecker again denied that his company was interested in buying Chrysler of the U.S. The company plans further co-operative agreements with Chrysler, but a takeover was out of the question. A joint engine production venture is under consideration.

If VW is to achieve its goal *of 5 per cent of the U.S. car* market, the second U.S. production plant is unavoidable. The factory "will almost certainly" be located in the western states.

A plant to produce 1,600 water-cooled four-cylinder engines a day is to be built in Mexico, to supply VW of America with Golf engines, Herr Schmuecker said. These would be for the Rabbit car, as the Golf is known in the U.S.

The first step in spawning a new series of Rabbit models is to be the introduction of a pick-up truck for this market.

Herr Schmuecker said that North America had become the object of "our special attention," as the energy problem had begun a restructuring process in the U.S. car industry, putting VW technology ahead in its field.

He noted that VW's sales in the U.S. to the end of June had soared by 42 per cent to 193,000 cars.

*VW will increase its pur*chases from Canada of components for the American Rabbit model, according to one source. *The Canadian government has* indicated that these will enable Volkswagen to export its American-built Rabbits duty-free *to* Canada under the U.S.-Canadian auto pact. Until now, Golf cars have been shipped to Canada from West Germany.

*Volkswagen's expansive stra*tegy in North American is dictated both by the increased market share it now hopes to *attain, and by the continued* weakness of the dollar.

Some 40 per cent of the Rabbit now consists of engines and *other parts imported from* West Germany, which are subject to what Herr Schmuecker called "exchange *burdens.*"

The expansion at the Westmoreland plant and the building of a second U.S. factory are to lead to a *wholly* American-made car with a Mexican-built VW engine. Unit costs of the engines are expected to sink because of the low exchange rate of the Mexican peso to the dollar.

Peak Spanish car production

BY DAVID GARDNER

FORD ESPANA and Peugeot-Citroen's Chrysler plant near Madrid both set new production records in 1978. Ford retained its position as Spain's leading exporter, selling 189,183 units of its Fiesta model and 94,475 engines abroad for a value of Pta 47.1bn ($740m), while the former Chrysler plant acquired last August by PSA was the one section of the Spanish motor industry to significantly increase its domestic car sales, up 7.5 per cent to a record 78,852 units.

Ford's production of Fiestas at its Almusafes plant near Valencia was up 22.4 per cent last year to 257,967 units, with engine production up to 347,618 units. Turnover was up to Pta 63.7bn (Pta 45.6bn in 1977). While Ford's exports rose sharply, its domestic sales stuck at some 66,000 units because of limits on domestic sales. Ford estimates that but for this it could have sold some 14,000 more units.

Ford's net profits for the year were Pta 919m ($14m) which were set aside to cover operating losses accounted for by the company's setting up here as recently as 1976. Chrysler on the other hand, turned in a 1978 profit of Pta 974.5m on turnover of Pta 53.3bn.

Although the only unit of the former Chrysler operations in Europe to show a profit in 1978, this return will be set aside for reserves. Chrysler "significantly" increased its penetration of the local market, though exports fell back sharply by some 19 per cent, accounting for only 9.2 per cent of turnover.

One of the most lucrative sides of Chrysler's business in Spain involved a contract worth approximately $100m with the Spanish army for reconditioning Sherman M-47 and M-48 tanks. During the first four months of this year, *Chrysler* sales, particularly in the truck division, had fallen back sharply. The Spanish market for industrial vehicles has entered a period of profound stagnation, although sales of Chrysler's heavy duty Dodge model have fallen back only 4.2 per cent against a national average of 9.7 per cent for the first five months.

PSA's plans for its Chrysler Madrid plant are still not clear, though it has publicly committed itself to maintaining jobs. PSA has two plants in the North-Western towns of Vigo and Orense, which last year produced nearly 152,000 units.

Preussag may pay a dividend this year

By Guy Hawtin in Frankfurt

PREUSSAG, the West German *metals, chemicals,* energy and engineering group, looks as though it stands a good chance of resuming dividends this year. Shareholders *have* received nothing since 1976 when they were paid an unchanged 7 per cent.

Yesterday's annual meeting was told that things had considerably improved during the first half of 1979. According to the executive Board that although there were still risks it was hoped that the year's profits would be sufficient to allow payment of a dividend.

So far things have gone well, it appears. The manageent said that until the end of May performance was such that the group's target remained attainable. Profits were described as "thoroughly satisfactory."

Speculation in stock exchange circles here is that Preussag wil be paying a dividend of at least 5 per cent this year. The estimates derived further strength from the management's news that the group returned to profit in the final quarter of last year and that the position further stabilised in the first half of 1979.

*In the coal and metal sec*tors earnings had been better than originally expected. Good, substantial profits were once again expected from the energy and chemicals operations. Oil and gas earnings were also ahead of plan.

Allied Irish Banks warns of tight liquidity

By Stewart Dalby in Dublin

ALLIED IRISH BANKS, the Irish Republic's second largest banking group and one of its major companies, foresees, in its annual report, another year of tight liquidity.

Mr. Niall Crowley, chairman, said that as a result of the country's rapid growth and Ireland's membership of the European Monetary System, the banking system could expect continued pressure on credit demand.

The bank entered 1979 with credit tight. Last year bank lending increased by 32 per cent, while the growth in the money supply was only 22 per cent.

For the year ended March 1979, profit before tax amounted to IR£[illegible] ($83.64m), an improvement of 19 per cent over the previous year's IR£34.5m. After-tax profit of IR£28.5m rose 31 per cent over the corresponding figure for 1977/78.

The company has given no forecast for the first half of 1979/80.

While joining the EMS had some effect in bringing a flow of money back into the Irish banking system, it also brought higher demand for domestically supplied credit.

This year, the banking system in general expects great pressure on credit as sterling loans are refinanced in Irish pounds, and as borrowers who might otherwise have sought funds outside Ireland seek loans from the Irish banks.

Even though bank lending has been pegged to increase 18 per cent this year, in order to finance credit demand, banks will be competing for funds with the Government, which is hoping to raise about £400m from domestic sources.

The depreciation of the Irish pound against sterling has made many bank customers hesitant in raising funds abroad because of the exchange risk involved.

One way of easing the tight situation, Mr. Crowley suggested, was to reduce the liquidity ratios associated banks have to maintain with the central bank.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on July 4

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	99⅛	99⅝	−0⅛	+0⅛	10.10
Alox Howden XW 9½ 91	30	85¼	86¼	0	−0½	11.78
Avco O/S Cap. 10¼ 87	40	97⅞	98⅛	0	+0¼	10.65
Bayer Int. F. XW 7⅛ 89	200	84¼	84¾	0	0	9.81
CECA 9¾ 84-99	50	95	95½	−0⅛	−0⅛	9.92
Canada 9 83	400	†99¼	99¾	0	+0⅛	9.35
Canada 9¼ 98	350	†99⅝	99⅞	−0⅛	+0⅞	9.50
Canadian Pacific 9¾ 89	50	98¼	98⅞	0	−0⅛	9.97
Comalco Inv. E. 10¼ 91	40	99½	99⅞	+0⅛	+0⅛	10.30
Dominion Bridge 10¼ 84	30	99½	100	0	+0¼	10.31
Dow Chem. O/S 9¾ 94	200	98⅜	98⅞	0	−0⅛	9.79
EIB 9¾ 98	125	*†94¾	95¼	−0⅛	−0½	9.94
EIB 9¾ 86	150	99¾	100¼	−0⅛	0	9.85
EIB 9⅞ 89	100	100¼	101	−0⅛	+0¼	10.03
EIB 9⅞ 87	150	101	101½	0	+0¼	9.87
EIB 10 99	150	101½	102	0	+0¼	10.04
Export Dv. Cpn. 9.85 84	150	†101¼	101¾	0	+0⅛	9.66
Export Dv. Cpn. 9¼ 84	100	97⅞	98⅛	0	0	9.81
Eksportfinans 9 86	50	98	98½	0	0	9.74
Finland 9½ 86	100	97¾	98¼	0	−0¼	9.90
GTE Fin 9½ 84	50	97¾	98¼	0	−0⅛	10.03
Gould Int. Fin. 9¾ 85	50	99	99½	0	0	9.90
Hospital O/S 9 83	25	96¾	97¼	0	0	9.83
Hudson Bay Co. 10 84	50	100¼	100⅝	0	−0⅛	9.90
Itel Finance 9¾ 90	30	†89	89½	0	+2¼	11.48
Itel Finance 10½ 93	40	†90	90½	0	+2	11.95
ITT Antilles 9½ 89	75	96¾	97¼	0	−0⅛	9.98
Kennecott Int. 9½ 86	100	96½	96⅞	0	−0⅛	10.70
Manitoba 9½ 89	75	97½	98	+0⅛	+0⅛	9.86
Nat. Dec Telecm 9½ 86	100	98¼	98⅞	−0½	0	9.78
New Brunswick 9¾ 94	75	97¼	97⅞	0	−0⅛	10.06
Newfoundland 10 94	50	99⅞	100⅜	0	−0⅛	10.00
Norsk Hydro 9⅞ 94	50	98½	99	0	0	9.80
Norway 9⅞ 84	150	†100¼	100⅝	−0⅛	−0⅛	9.80
Norway 9½ 84	150	99	99½	0	+0⅛	9.68
Nova Scotia Pwr. 9¾ 89	50	98⅜	98⅞	+0⅛	+0⅛	9.98
Occidental Fin. 10¼ 84	50	99¾	100⅛	+0⅛	+0⅛	10.27
Orient Leasg. NV 9½ 86	25	†96¾	97¼	−1	−0¾	10.14
Pennwalt O/S F. 9¾ 84	25	98⅞	99⅜	+0⅛	0	9.97
Portland 10 84	50	97½	97⅞	+0⅛	0	10.64
Quebec Hydro 10 99	75	96½	97	0	+0⅛	10.39
Redland Fin. XW 9½ 91	25	92	92½	−0⅞	−0⅛	10.68
Sears Roebuck 9 82	150	98⅞	99⅜	+0⅛	+0⅛	9.63
Stockholm 9¾ 94	60	100½	101	+0⅛	0	9.69
Sweden 9¾ 89	100	99¼	99¾	0	0	9.82
Sweden 9½ 86	200	99½	100	0	+0⅛	9.77
U.S. Leasing Intl. 10 84	20	*†96¾	97¼	0	−0⅛	10.81

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 6½ 87	70	93½	94¼	0	+0½	6.55
Argentina 6½ 88	150	89¼	89¾	−0⅞	−0¾	8.14
Argentina 7½ 89	150	94¼	94¾	0	0	8.36
Australia 6 88	250	95½	96¼	−0⅛	+0⅛	6.59
Austria 5¾ 90	150	88⅞	89⅞	−0¼	+0⅛	7.18
Banco Desarrollo 7¼ 86	100	95⅞	96⅜	0	+0¼	8.01
Barclays O'seas 6¾ 89	100	87¼	87⅞	−0¼	0	7.11
Bq. Ext. Algerie 7¾ 85	100	95½	96⅛	0	+0½	8.07
Brazil 7¼ 87	150	96⅜	97⅛	+0⅛	+0½	7.78
CECA 6 88	150	90½	91¼	0	+0⅛	7.38
CECA 7 91	150	97½	98	−0⅛	0	7.29
Copenhagen City 6 90	75	88¼	89¼	+0½	−0⅛	7.50
Council of Eur. 6¾ 88	130	92¼	92¾	−0¼	+0⅛	7.38
Council of Eur. 7¼ 89	100	98¼	98⅞	−0¼	+0⅛	7.45
Denmark 5¾ 85	100	93⅞	94⅝	0	0	7.02
Denmark 6½ 89	100	93½	94¼	−0⅛	−0⅛	7.43
EIB 6 90	300	89⅞	90⅜	−0⅞	+0⅛	7.31
EIB 6½ 91	200	93	93½	0	+0¼	7.38
EIB 7½ 89	200	101	101½	−0¼	+0½	7.33
Eletrobras-Brazil 7 87	100	94¼	94⅞	−2	−0¼	7.96
Eurofima 6½ 89	100	98⅜	99	0	+0⅛	6.69
Finland 6 83	150	98½	98⅞	−0⅛	−0¼	6.39
Indonesia 7 84	100	98¼	98¾	0	−0⅛	7.86
Megal Fin. 7 89	150	98⅞	99⅜	−0⅞	0	7.18
Mitsubishi Chem. 6½ 84	70	[illegible]	100¼	−0⅞	−0⅛	6.46
New Zealand 6½ 87	200	96¼	96⅞	0	+0⅛	6.85
Nippon Kokan 6½ 84	100	99¾	100¼	+0⅛	+0⅛	6.52
Nippon Tel. & T. 5¾ 87	100	92	92½	−0⅛	−0⅛	6.87
Nordic Inv. Bk. 6¾ 86	60	95½	95⅞	−0⅛	0	7.13
Norway 6¼ 84	200	99¾	100¼	−0⅛	−0⅛	6.21
Occidental 6¾ 90	150	93½	94	−0⅛	+0⅛	7.58
OKB 6¾ 88	100	96¼	97	0	0	6.99
OKB 6 87	40	91½	92½	+0⅛	+0⅛	7.46
Statoil 6 88	150	92⅞	93¼	+0⅛	+0⅛	7.07
Statoil 6½ 89	150	*†96⅞	97¼	0	0	6.95
Tokyo Elec. Pwr. 6½ 85	200	97½	98	0	+0⅛	6.98
Venezuela 6½ 90	150	89¼	89⅞	−0⅛	−0½	7.91
World Bank 6¾ 88	400	92¼	92¾	−0¼	+0⅛	7.40

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amer. Exp. Int. 3½ 93	40	91¾	92¼	0	+0⅛	4.25
Asian Dev. Bank 3½ 94	100	83⅞	84¼	−0⅛	+0⅛	5.07
Austria 3½ 93	100	88¾	89¼	+0⅛	+1½	4.55
Australia 3¾ 89	250	94¼	94¾	−0⅛	+0⅛	4.34
Brazil 4¾ 88	100	93½	94	−0⅛	−0⅛	5.10
Canada 3¾ 89	300	94¼	94¾	0	+0⅛	4.31
Council of Eur. 4¼ 90	100	94⅞	95¼	+0⅛	+0⅛	4.81
Bankamerica 3¾ 93	80	94¾	95¼	−0⅛	−0⅛	4.22
BNDE 5 88	75	100	100½	0	+0⅛	4.98
EIB 4½ 91	100	98½	98¾	+0⅛	−0⅛	4.65
Heron 4¾ 89	35	92	92½	+0⅛	+0⅛	5.31
ICI Fin. NV 3¾ 94	230	90	90½	0	−0⅛	4.41
Malaysia 4¾ 90	80	95½	95¾	−0⅛	−0⅛	5.27
New Zealand 3½ 94	120	90¼	90¾	+0⅛	−0⅛	4.41
OKB 3¾ 91	100	90½	91	−0⅛	+0⅛	4.80
Pfand Ost. Lande 4 90	60	94¾	94⅞	−0⅛	0	4.63
Philippines 4¾ 89	50	96½	97	−0⅛	−0½	5.12
Sandvik 4 90	85	93¾	94¼	0	0	4.69
Spain 4 91	100	93½	94	0	+0⅛	4.70
Vienna 4 93	100	94¾	94⅞	+0⅛	0	4.56
Voest-Alpine 4¾ 89	90	102¼	103	−0⅛	−0½	4.40
World Bank 4¾ 89	100	102¾	103	−0⅛	−0⅛	4.27

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	86	87	0	+0⅛	7.87
Australia 5.6 83	30	92⅞	93⅜	+0⅛	+0⅛	7.70
Australia 6¾ 88	20	88⅜	88⅞	0	−1½	8.32
Finland 5.6 83	10	90⅝	91⅛	0	0	8.16
Finland 6.8 88	10	90⅝	91⅛	0	−0⅛	8.39

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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هكذا من الأصل

Profits drop at Axel Springer

By Guy Hawtin in Frankfurt

WEST GERMANY'S bitter printing dispute in the spring of ast year hit the profits of the Axel Springer publishing group hard. Net profits fell by almost 35 per cent from 1977's DM 45.5m to DM 29.7m.

But despite the strike, the Axel Springer Verlag management report that sales rose 5.3 per cent to DM 1.73bn. This performance contrasts with management forecasts during the middle of last year that the group was unlikely to be able to do more than maintain its 1977 record.

The main reason for the increase was a rise in advertising revenue for Springer's newspapers and magazines. Business during the opening two months of the current year, said the management, had been "in accordance with expectations," but they refused to make any further forecasts on sales or profits.

In contrast with its rival Gruner and Jahr, the Springer group sees its future firmly rooted in West Germany and West Berlin. The group, which publishes Die Welt and the popular daily Bild, is maintaining investment at a high level—the 1978 figure was DM 70m—the vast bulk of which will be in the Federal Republic.

Charter setback for Dutch cruise venture

By Charles Batchelor in Amsterdam

ATTEMPTS TO launch a new Dutch cruise company have run into difficulties. The directors of Nederlandse Cruise Mij Bestevaer plan a meeting with staff members tomorrow to outline the company's prospects.

Delays in the delivery of a cruise vessel chartered from a Greek shipping line have forced Bestevaer to cancel its first two cruises which were both fully booked, according to the company. Modifications due to be carried out at a Greek shipyard to the 18,600 dwt vessel were not completed on time and Bestevaer is seeking compensation through the Greek courts.

Bestevaer was established two years ago by a group of businessmen including many who had been involved in other Dutch cruise companies. Bestevaer feels that there is a big market for a Dutch-based cruise company after the decision by Holland-Amerika Lijn, the last of the major Dutch cruise operators, to move its operations to the U.S. and the Caribbean.

Bestevaer is seeking a Government guarantee for Fl 3m ($1.5m) to overcome its problems and is negotiating with its bankers for more funds.

Elder Smith plans one-for-four scrip

BY JOHN ROGERS IN SYDNEY

AUSTRALIA'S largest pastoral house, Elder Smith Goldsborough Mort, at present benefiting from a much-improved season for rural produce, is to make a one-for-four scrip issue to shareholders—its first since 1973.

Directors of the widely-diversified group announced that the new shares will rank for the final dividend in November, which is expected to be 9 cents a share, compared with 10 cents last year. This is slightly below the forecast total dividend rate of 15 cents a share which was indicated when the interim was lifted from 4 cents to 5 cents. This means that the company will maintain 14 cents for the year.

The bonus will come from the company's A$10m (U.S.$ 11.5m) asset revaluation reserve, absorbing A$8.7m.

During the six months to December 31, Elder boosted earnings 31 per cent to A$5.3m—mainly brought about by increased demand for rural property. All pastoral houses operating in Australia have recorded marked upturns during the last six months and further gains are expected following very buoyant wheat and sheep seasons.

● Meanwhile: The Toronto-Dominion Bank has bought the United California Bank's 12.5 per cent stake in Euro-Pacific Finance Corporation, of Australia, for an undisclosed sum, Euro-Pacific said, reports Reuter.

Euro-Pacific, a merchant bank and money market dealer, has an issued capital of A$7.5m and total assets of about A$200m.

Other shareholders are the Commercial Bank of Australia 25 per cent, Midland Bank 15.5 per cent, the Fuji Bank 15 per cent, and Amsterdam-Rotterdam Bank NV, Deutsche Bank AG, Ste Generale de Banque and Ste Generale, 8 per cent each.

Israel Chemicals group faces labour shortage

BY L. DANIEL IN TEL AVIV

ISRAEL CHEMICALS, a wholly-owned Government company embracing 11 concerns, reports an 18 per cent increase ein exports in the 1978-79 fiscal year to $155m, with two-thirds of this accounted for by the Dead Sea Works and the Negev Phosphate Mines.

Bromine Compounds — a subsidiary of the Dead Sea Works — is another major exporter with overseas sales of $15.7m, which it expects to increasee to $35m this year. It can produce 60,000 tonnes of compounds annually and hopes eventually to increase output to 80,000 or even 100,000 tonnes, if the necessary manpower — a problem in all the plants — can be found. The additional investment required is between $15m to $20m.

Its sister company, Dead Sea Bromine, increased its exports last year to $13.1m, and expects to reach $22m during fiscal 1979-80.

Israel Chemicals is currently studying the economic feasibility of re-opening the Timna Copper Mines near Eilat, in view of the rise in world market prices. However, with massive construction work due to start in the Negev, it is doubtful if the company will get the necessary additional manpower in the next three years.

Haifa Chemicals ahead

BY OUR TEL AVIV CORRESPONDENT

HAIFA CHEMICALS, producer of potassium nitrate and phosphoric acid, which went public in mid-1978, reports that its after-tax net profit rose last year by 56 per cent to I£25.3m ($990,000).

Sales doubled to I£614.5m ($24.30m). But this is not reflected fully in profits, because nearly all of the company's output is exported and profits were impaired by the fact that the Israeli pound fell in value by only 24 per cent in 1978, while the cost-of-living index, and thus local costs, rose by 48 per cent in the same period.

Haifa Chemicals is 92 per cent controlled by the Government-owned Haifa Oil Refineries. It is engaged in an expansion programme designed to increase potassium nitrate production by 25 per cent

French bond issues

Three borrowers plan to issue bonds totalling FFr 1.62bn on the French domestic market next week. Credit Lyonnais plans a FFr 500m issue, Groupement pour le Financement des Ouvrages de Batiment, Travaux Publics (GOBTP) a FFr 360m bond and CIT-Alcatel SA a FFr 160m issue, writes Reuter from Paris.

Good year for United Malacca

By Wong Sulong in Kuala Lumpur

UNITED MALACCA Estates, listed on the Kuala Lumpur stock exchange and controlled by the family of Tun Tan Siew Sin, the Sime Darby chairman, is increasing its final dividend for 1978-79 by 10 cents to 22 cents.

Total dividends for the year amounted to 30 cents, compared with 20 cents the previous financial year.

For the year ended April, the group increased its pre-tax profit by 25 per cent to 5.5m ringgit (U.S.$2.53m) as a result of increased production and favourable commodity prices.

In addition, the group made a profit of 1.6m ringgit from the sale of shares in Consolidated Plantations.

United Malacca Estates owns over 13,000 acres of rubber and palm oil, and was incorporated in 1910. Its paid-up capital is 10.6m ringgit.

Colour TV debut brings trading decline

By Our Kuala Lumpur Correspondent

RESULTS of Sanyo Industries Malaysia were adversely affected by the introduction of colour television last year, and trading profits for 1978 fell to 960,000 ringgit (U.S.$442,000) compared with 1.88m ringgit in 1977.

The company said owing to the introduction of colour television, sales of black and white sets, which previously contributed the bulk of the company profits, were very depressed, resulting in heavy stockpiling, and price reductions.

Sanyo however, can take consolation in the fact that it need not pay tax for 1978 because of the accelerated capital allowances (tax amounted to 780,000 ringgit in 1977). This has enabled it to maintain its tax-free dividend of 12 per cent.

Sanyo is increasing its production of colour television to catch the market.

Advance at TNL

TNL, the New Zealand transport and agricultural group, raised its nine-month tax-paid trading profit by 45 per cent to NZ$ 2.863m (U.S.$ 2.9m), writes Dai Hayward from Wellington. Turnover was up 12.5 per cent to NZ$ 38m. Total assets of TNL are now NZ$ 52m.

All divisions of the company showed increased profitability, and the group lifted its operating profit before tax by 65 per cent.

Originally a transport and passenger service company, TNL has expanded until it is now the largest tourist operator in New Zealand.

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Index Guide as at June 28, 1979

Capital Fixed Interest Portfolio	115.65
Income Fixed Interest Portfolio	105.00

Weekly net asset value
on July 2, 1979

Tokyo Pacific Holdings N.V.
U.S. $66.31

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. $48.31

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DM Bonds	99.82	99.70	DM Bonds	7.332	7.355
HFL Bonds & Notes	96.02	96.18	HFL Bonds & Notes	9.086	9.048
U.S. $ Strt. Bonds	96.21	96.27	U.S. $ Strt. Bonds	9.504	9.501
Can. Dollar Bonds	96.19	96.08	Can. Dollar Bonds	9.998	10.011

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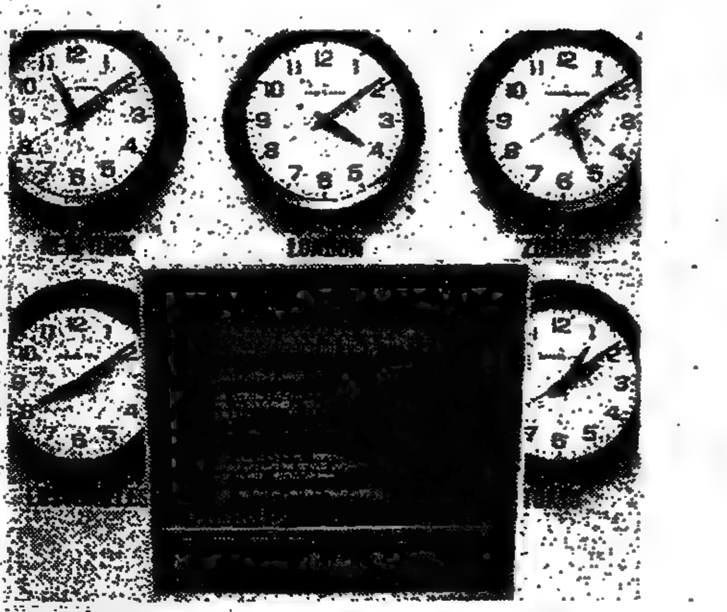

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Tokyo irregular but Oil stocks strong

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THERE WAS no decided overall trend on the Tokyo stock market yesterday, but stocks related to the development of oil, gas and other natural resources strengthened over a broad front.

The Nikkei-Dow Jones Average managed a fresh modest gain of 6.95 at 6,310.03, while the Tokyo SE index put on 0.52 to 449.41. Trading remained fairly active, volume amounting to 320m shares (350m).

Brokers said Oils advanced on expectations that the development of energy will become an important national project following the Tokyo economic summit, which agreed to curb oil imports of the seven participating nations and stressed the importance of developing alternate sources of energy.

All U.S. markets were closed yesterday for the Independence Day holiday.

Arabian Oil advanced Y250 more to Y4,800, while Toa Nenryo rose Y35 to Y1,030, Showa Oil Y31 to Y438 and Nittetsu Mining Y5 to Y645.

Such Trading Houses as C. Itoh, Marubeni and Mitsubishi also advanced on expectations that they will play an important role in energy development projects. C. Itoh climbed Y11 to Y396 and Mitsubishi Y12 to Y516.

Toshiba, up 3 at Y158, were also favoured as speculation mounted that its earnings in the half-year ending in September will show a good improvement, backed by strong sales of such summer electric appliances as air conditioners.

Other bright spots included Hitachi, up Y7 at Y250, and Honda Motors, Y11 higher at Y554, but export-orientated Light Electricals declined, with Sony losing Y30 to Y2,040.

Canada

Shares continued to decline over a broad front in quiet active *early dealings yesterday.*

The Toronto Composite Index reacted 9.4 further to 1,593.4, while Oils and Gas lost 18.0 to 2,815.7 and Metals and Minerals 15.8 to 1,345.9, but Golds contrasted with a rise of 15.8 to 1,859.3. In Montreal, Banks receded 1.37 to 305.42, Utilities 1.40 to 235.17 and Papers 0.68 to 173.45.

Acklands put on C$¼ to C$16½ on higher earnings, but Noranda Mines fell C$1¼ to C$48⅜, Cominco C$¾ to C$39¾ and BP Canada C$¼ to C$28½.

Paris

The market was easier-inclined in rather quiet dealings, but the Oils sector was in buoyant mood on the reported new oil find in the North Sea.

Brokers commented that investors had become hesitant following statements critical of the Government's economic policy by the head of the Paris Chamber of Commerce. The market was also awaiting with interest President Carter's *speech on energy.*

Foods and Oils were the only sectors where buying outweighed selling. In the Oils group, Primagaz advanced 11.4 per cent to FFr 254 and Elf-Aquitaine FFr 45 to FFr 879, while in the International section, Petrofina shot up FFr 54 to FFr 756.

In Motors, however, Peugeot-Citroen *declined FFr 9.5 to* FFr 315 on stating that it will suffer higher losses this year from the former Chrysler subsidiaries, which it now owns.

Elsewhere, Creusot Loire receded FFr 4.3 to FFr 70.3 and Legrand FFr 48 to FFr 1,460, but CIT Alcatel put on FFr 12 to FFr 1,075.

Amsterdam

Bourse prices were firmer for choice, with Royal Dutch gaining Fl.1 and Unilever Fl.0.70 in Dutch Internationals.

Elsewhere, Van Ommeren rose Fl.3.50 and Nedlloyd Fl.1.30, while Pakhoed put on Fl.1.50 and Amev Fl.1.30, but losses of between Fl.1 and Fl.2 were recorded in HVA, ABN, OCE-Van der Grinten and Deli.

State Loans were marginally higher.

Milan

Mixed movements occurred in very slow trading as political uncertainties discouraged activity.

A broker said market operators were concerned that Premier-designate Giulio Andreotti would not be able to draw the Socialists into a new Cabinet. They are worried that any new Government is likely to be weak, he added.

Fiat gained L18 to L2,499 despite continued concern over *the energy shortage. The company itself is* buying shares on the market.

Montedison eased fractionally from previous days' gains to close at L193.25 as the market awaits an announcement on results of a search for hydrocarbons off Sicily.

Cantoni hardened L45 to L3,845 on reports *of a plan* to limit its losses.

Brussels

Petrofina, the Belgian oil company that has been the star performer of the Brussels stock market this year, advanced BFr 388 to BFr 5,380 in heavy dealings in a generally firm market yesterday.

Rumours that Philips Petroleum had announced the discovery of important new oil deposits in North Sea fields partly owned by Petrofina sparked off the fresh rise in the stock.

"More than 45,000 shares of Petrofina changed hands, about three times the number usually bought an dsold on good days," one stockbroker said. "New York is closed today so the reports of U.S. offers for the stock didn't affect the market today," she said.

Since late March when Petrofina stood at BFr 3,950, the stock has gained BFr 1,430. The major factor in the increase until recently appeared to be the steadily increasing price of oil.

Germany

After Tuesday's good recovery, stock prices showed no clear trend yesterday in quiet dealings, although the Commerzbank Index, up 11.4 the previous day, put on 1.2 more to 734.8.

Investors continued to seek out Electricals and Utilities. Among Electricals, Brown Boveri moved ahead DM 6.50 and Varta DM 4, while in Utilities, RWE moved DM 1.70 and VEW DM 1.50, but VEBA gave up 40 pfennigs. Brokers have been saying that investors are buying energy-related shares now that the companies may get to share in Government-supported projects for alternative energy sources, especially coal.

Machine Manufacturers, favoured on Tuesday, eased back, with Babcock shedding DM 2 and Linde DM 1. Chemicals also mainly reacted, BASF and Hoechst losing DM 1 apiece, but Degussa added DM 1.30 against the trend.

In the Motors group, Volks*wagen climbed DM 3 further to* DM 215.50 for a two-day rise of DM 9.50, spurred on by favourable first-half results, reported at the annual meeting in Berlin. In contrast, BMW receded DM 2.90 and Daimler-Benz DM 3.

Stores had *Kaufhof* down DM 6, and Karstadt and Neckermann each off DM 1. Elsewhere, *Krupp* lost DM 4 but Metallgeselschaft improved DM 2.50.

Public Authority Bonds were well maintained, with the Bundesbank selling DM 17.6m nominal of paper after sales of DM 32.1m the previous day. Mark Foreign Loans were mostly unchanged.

Australia

Sentiment was somewhat dampened yesterday by the *worsening strikes situation,* which has disrupted telecommunications, and also uncertainty over how the Australian Government will tackle excessive money supply growth and fears of a tightening of bank lending, leaving stocks overall no better than mixed.

Uranium stocks, however, continued to forge ahead in the light of recent optimistic statements about the future for Australian yellowcake exports. Queensland Mines climbed 25 cents to A$3.75, Kathleen Investments 20 cents to A$3.85, Peko-Wallsend 30 cents to A$5.50, EZ Industries 15 cents to A$3.30 and Western Mining 10 cents to A$2.30. Pancontinental, in con*trast, shed* 10 cents of its recent advance to close at A$13.50.

Some Coal issues also made further progress, with Thiess adding 8 cents at A$3.95 and Howard Smith 16 cents at A$5.56. However, Utah slipped 10 cents to A$4.00 as the Queensland coal miners continued their strike.

Gold stocks also scored gains, reflecting higher international Bullion prices, with Central Norseman rising A$1.80 to A$27.80.

Further profit-taking occurred in the recently strong Oils sector, Magellan retreating 30 cents to A$2.60 and Weeks Petroleum 20 cents to A$3.00. A bearish statement by a Queensland Labour Minister upset the Oil Shale twins *and Southern Pacific Petroleum* relinquished 16 cents to A$5.90, but Central Pacific, having reacted 20 cents on Tuesday, closed unchanged yesterday at A$14.80.

Hong Kong

Stocks moved irregularly in another light turnover, although the Hang Seng index edged up 1.40 to 537.31.

Indices

NEW YORK —DOW JONES

	July 3	July 2	June 29	June 28	June 27	June 26	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆Industr'ls	835.58	834.04	841.98	843.04	846.52	837.86	878.72 (18/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.97	85.78	85.[illegible]	85.25	85.70	85.55	85.97 (5/7)	82.92 (8/6)	—	—
Transport	242.01	241.35	242.28	242.88	241.82	238.82	248.87 (12/6)	205.78 (27/2)	279.88 (7/2/69)	12.23 (2/7/32)
Utilities	105.46	105.21	105.46	105.55	105.48	105.28	105.75 (15/6)	98.51 (16/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's†	31,700	32,170	34,840	38,640	36,780	34,840	—	—	—	—

◆Day's high 838.99 low 829.27

	June 29	June 22	June 15	Year ago (approx)
Ind. div. yield %	5.72	5.97	6.01	5.71

STANDARD AND POORS

	July 3	July 2	June 29	June 28	June 27	June 26	1979 High	1979 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	115.08	115.05	114.14	113.99	113.40	112.75	116.69 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
‡Composite	102.09	101.99	102.97	102.80	102.27	101.66	105.34 (10/4)	96.13 (27/2)	125.86 (11/1/73)	4.40 (1/6/32)

NEW YORK

Stock	July 3	July 2
Abbott Labs	33⅝	33
AM International	14⅛	14
Adobe Oil & Gas	31	30¾
Aetna Life & Ca	32	31⅞
Air Products	30⅛	30⅛
Alcan Aluminium	34⅜	34⅛

Stock	July 3	July 2
Control Data	39	38⅛
Cooper Indus	64¼	64¼
Corning Glass	57	56⅞
CPC Int'nation'l	52¾	52¼
Crane Co	29⅛	28⅞
Crocker Natl	30⅝	30⅝
Crown Zellerb'h	35¼	35
Cummins Engine	33½	33¾
Curtiss Wright	16⅛	16

Stock	July 3	July 2
Johns Manville	24¼	24⅜
Johnson Johnson	71⅝	71¼
Johnson Control	25⅞	25⅛
Joy Manufacturg	33⅞	33⅞
K. Mart	26⅜	25⅝
Kaiser Alumini'm	18⅝	18⅝
Kaiser Industries	2⅛	2
Kaiser Steel	33⅛	33⅞
Kaneb Services	17⅛	17⅛

Stock	July 3	July 2
Revlon	45⅝	45¾
Reynolds Metals	33⅞	32¾
Reynolds (R.J.)	57¼	56⅝
Rich'son Merrell	22	21⅝
Rockwell Inter	37⅜	37⅛
Rohm & Haas	38⅛	38⅛
Royal Dutch	73⅝	76¼
RTE	10¾	10⅛

Stock	July 3	July 2
Williams Co	20	19¾
Wsconsin Elect	26	26⅜
Woolworth	25⅝	25⅝
Wyly	5⅝	5¾
Xerox	60⅞	60½
Zapata	18⅞	18⅛
Zenith Radio	12⅜	12⅜
U.S. Treas.4%'80	†97	†97
USTreas4½%75/85	†85⅛	†85⅛
U.S. 90-day bills	8.98%	8.92%

Stock	July 3	July 2
Virginia Elect	13	13
Wagreen	25⅜	25⅝
Wallace-Murray	27	26⅜
Warner-Commn	33	33
Warner-Lambert	24	24¼
Waste-Man'ment	32	32⅛
Wells-Fargo	29½	29½
Western Bancorp	31¼	31¼
Western N.Amer.	35¼	35⅜
Western Union	22½	22⅜
W'stinghse Elec.	19½	19⅜
Weyerhaeuser	29¼	29⅝
Whirlpool	21	21⅛
White Con. Ind	25⅞	26

CANADA

Stock	July 3	July 2
Steep Rock Iron.	4.00	4.05
Teck Corpn. 'B'	13¼	13¾
Texaco Canada	70¼	70⅝
Toronto Dom.Bk.	25	25
TransCanPipeLn	23⅝	23⅞
TransMount Pipe	10½	10½
Trizec	20	†20
Union Gas	12	11⅞
UntdSiscoe Mnes	10⅛	10⅛
Walker Hiram	42⅝	43
West Coast Trans	15⅛	15⅛
Weston (Geo.)	24¼	24⅝

† Bid. ‡ Asked. § Traded. ‖ New stock.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

GERMANY ◆

July 4	Price DM.	+ or −	Div. %	Yld. %
AEG	49.9	......	—	—
Allianz Versich.	438	−4	31.2	3.5
BHF-BANK	191	−2	28.12	4.7
BMW	184.0	−2.9	28.12	7.7
BASF	132m	−1	18.76	7.1

TOKYO ¶

July 4	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	340	−1	14	2.1
Canon	550	−1	12	1.1
Casio	717	+2	25	1.7
Chinon	330	+10	20	3.0
Dai NipponPrint	540	−5	18	1.7
Fuji Photo	618	−8	15	1.2

EUROPEAN OPTIONS EXCHANGE

Series			July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
AKZ	C	F.30	—	—	1	1	5	2	F.28.20
AKZ	P	F.30	—	—	2	1.80	—	—	"
HO	C	F.30	—	—	3	2.20	—	—	F.30.30
HO	C	F.35	—	—	102	0.70	—	—	"
KLM	C	F.100	40	3.60	75	4.80	2	6.80	F.102.70
KLM	C	F.110	10	0.30	—	—	—	—	"
KLM	C	F.120	—	—	4	0.70	—	—	"
KLM	P	F.100	35	0.60	—	—	80	7	"
PET	C	Fr.4600	5	750	5	780	—	—	Fr.5360
PET	C	Fr.4800	2	400	26	590	6	750	"
PET	C	F5000	39	400	9	500	12	620	"
PHI	C	F.22.50	—	—	16	2.70	—	—	F.24.20
PHI	C	F.25	5	0.20	1	1.20	11	1.60	"
PHI	C	F.27.50	—	—	—	—	10	0.90	"
PHI	P	F.25	—	—	—	—	1	1.20	"
RD	C	F.135	—	—	2	15	—	—	F.149.40
RD	C	F.140	5	8.60	25	10.60	—	—	"
RD	C	F.145	53	4.30	165	6.70	112	8.10	"
RD	C	F.150	—	—	49	4.20	70	5	"
RD	P	F.135	—	—	13	0.40	—	—	"
RD	P	F.140	—	—	—	—	20	1	"
RD	P	F.145	—	—	1	1.80	1	3	"
RD	P	F.150	—	—	30	4.40	1	5.10	"
UNI	C	F.125	7	4	—	—	—	—	F.129
UNI	C	F.130	43	0.70	6	2.90	11	4.30	"

TOTAL VOLUME IN CONTRACTS 1141

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Banks Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
A P Bank Ltd.	14 %
Henry Ansbacher	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	†14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½%
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12%, and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

Financial Rand U.S.$0.88 (Discount of 25.5%)

SW farmers hit by fuel shortages

By Our Commodities Staff

EMERGENCY SCHEMES for keeping farmers supplied with fuel vital for their businesses appear to have broken down in parts of the south west, farmers claimed yesterday.

"Many farms have been completely without fuel at some stage during recent weeks," the National Farmers' Union said yesterday.

"Unless there is a dramatic improvement in the position in the next few days, it looks as if some formal system of allocating supplies to agriculture will have to be introduced."

North Devon and Cornwall have been hardest hit, and the Ministry of Agriculture acknowledged yesterday there were some difficulties.

Its special emergency centre is *now working to keep fuel* moving to the farm industry. Ministry regional offices file shortage reports to the centre in London. Officials there contact the Department of Energy which in turn locates and directs supplies to farmers worst affected.

The shortages have hit the region at a critical time as hay and silage making for winter feeding of cattle is in full swing.

"At a time like this if a farmer is without oil for a week it can mean the difference between having enough hay and silage for next winter or losing the crop," the NFU said.

Mr. Peter Walker, Minister of Agriculture, told the Royal Show that he would be unwilling to introduce fuel quotas for farmers because they would be less effective than present supply controls.

British producers hit by European egg imports

BY CHRISTOPHER PARKES

THE BRITISH egg industry, which last year saved itself from disaster by exporting most of its surpluses to the European Community, is now complaining bitterly because Dutch and French producers in turn are getting rid of their excess production on the UK market.

In recent months, as UK farmers have brought supply and demand on the home market into balance and prices have been rising massive imports have swamped all their hopes.

In the first three months of this year Britain imported 517,000 boxes of 360 eggs each from the EEC, compared with 134,000 boxes during the whole of 1978. And the rate of imports is accelerating. Latest estimates show that this week imports will total 30,000 boxes—an annual rate of 1.6m.

The National Egg Packers' Association said the difficulties now were far worse than in 1974 when imports from Europe of 903,000 boxes sparked demonstrations by farmers at the ports.

Size 2 eggs from Holland are currently being offered to wholesalers in Britain for 36p a dozen, compared with the 37p to 38p a dozen paid at the farm gate to UK producers.

Mr. Keith Pullman, director of the UK Egg Producers' Association, said that coming on top of the bad season last year when many producers were selling *eggs at 10p a dozen below* production costs on a glutted market, the pressure from imports was now driving farmers out of business.

He said in the past two weeks *in his own Somerset area,* two large producers had called in the receiver. One kept 250,000 layers and the other had 60,000 birds. Another 30,000-hen operation had simply put up the shutters and given up egg farming.

Mr. Pullman added that it was unfortunate that while the British industry had managed to put its house in order, producers across the English Channel were still over-producing.

A spokesman for Imperial Tobacco, one of the biggest "industrial-scale" egg producers in the country, said that there was *little that could be done* because Common Market countries were *free to export to Britain.*

"I don't know that the Dutch or the French are doing anything wrong. But we feel a little aggrieved that just as we are coming out of a depression we get hit again like this," he said.

The roots of the problem lie in the battle on the continent for the market in West Germany, whose farmers normally fill only 70 to 80 per cent of demand.

Traditionally France has filled most of the gap, but because of a huge increase in the number of layers in Holland, Dutch shippers have been moving in. They have sold eggs in *Germany, forcing the French to* sell in Britain and also raised their shipments to the UK.

In the first three months of this year, Dutch egg exports rose 32 per cent. Sales to Germany were up 31 per cent while shipments to Britain rose more than seven-fold.

And in France and Holland, the main sources of the EEC egg glut, output seems set to continue rising.

Hatchings of layer chicks have risen markedly in both countries in the early months of the year while production of chicks elsewhere in the Nine has slackened.

Last year, when Britain was suffering badly from over-production, egg exports to the EEC totalled 1.1m boxes compared with 522,000 boxes a year earlier. Sales have fallen a little this year, *however.* Customs figures show that between January and March sales across the Channel were 237,000 boxes, compared with 315,000 boxes in the same period of 1978.

New supply 'squeeze' boosts tin

By John Edwards, Commodities Editor

A RENEWED squeeze on supplies available to the market brought a sharp rise in the cash tin price on the London Metal Exchange yesterday. Standard grade cash tin rose by £235 to £7,810 a tonne. In contrast, the three months quotation eased by £17.5 to £6,995.

Dealers explained that further delays in shipments arriving in Europe had meant that some merchants were having to pay high prices to cover "short" positions over the weekend, since the bulk of LME warehouse stocks were still held by one or two companies.

Further trade buying interest lifted copper and aluminium again yesterday. Lead advanced strongly with demand stimulated by news of the proposed shutdown of the Asarco lead smelter in Montana during August.

Refined *zinc* production jumped to 153,949 tonnes against 130,559 tonnes in May, 1978. Producer stocks at end May were estimated at 138,799 tonnes compared with 133,916 at end April and 186,174 tonnes a year ago.

Japan metal warehouse plan

TOKYO—Yoshihiro Inai, the newly-elected president of the Japan Mining Association, said that he would propose a plan to establish a Far East warehouse of the London Metal Exchange, reports Reuter.

A plan to establish a Tokyo Metal Exchange, reportedly being considered by the Japanese *Ministry of International* Trade and Industry, would be too expensive, he said.

Our Commodities Editor writes: A London Metal Exchange spokesman yesterday recalled that *an application for a* Japanese warehouse had been rejected some years ago because of the problems involved.

It was not a question of building up stocks—the main difficulty was that existing LME contracts contain a sellers' option clause.

COFFEE MARKET

Colombia seeks new pact initiative

BY OUR COMMODITIES STAFF

SIGNS OF disillusionment with the efforts of the United Nations Conference on Trade and Development to stabilise commodity prices—with the aid of its controversial common buffer stock fund—were apparent when the Colombian president, Julio Turbay Ayala, outlined his country's coffee policy in London this week.

Colombia is the world's biggest producer of coffee after Brazil and is obviously unhappy about the lack of progress being made in controlling the highly erratic movements in the price of a commodity that has a vital impact on its economy.

The Colombians have played a major part in recent efforts by producing countries to regulate the free market. The buying up *of surplus supplies,* to raise market prices, has been conducted under the name of the Bogota Club, whose members contributed $140m. Sr. Turbay Ayala, the Colombian President, threatened that unilateral action by the producers would be stepped up if consumers refused to co-operate in measures to stabilise the world market. However he also appeared to have lost faith in the abilities of UNCTAD, the developing countries' champion, and in particular the proposed common buffer stock fund to achieve much.

UNCTAD discussions aimed at establishing an effective international coffee agreement have concentrated too much on technical and administrative matters and have deliberately ignored the political aspect which is essential for its success, Sr. Turbay Ayala said.

After 17 years of dialogue the agreement still only operated as a forum for the exchange of ideas. "There has been little real progress in dealing with the world coffee situation," he said.

Not surprisingly, Sr. Ayala blamed this state of affairs mainly on consumer members. "Once a certain price level is reached, the consumers have preferred to see the market regulated by the law of supply and demand," he said.

They had refused to participate in discussions on production policies and had rejected any concrete proposals made by producers on stock policies.

But *the President* thought a basic problem was that UNCTAD was not an appropriate forum for dealing with international commodity agreements.

Once discussion of the essential features of a world coffee pact was transferred to UNCTAD the original impetus was lost, he said.

"For me, the appropriate forum for the discussion of each primary product is the corresponding individual agreement," he said. "I believe the consolidation of each agreement, to the satisfaction of the two sectors concerned, represents the best *policy for co-*operation between developed and developing countries."

He thought these agreements should be the "cornerstone" of any multi-commodity policy established at a later date.

Sr. Ayala stressed the necessity for international commitments on production, stocks and prices.

It was not possible, he said, for a government to limit coffee production if other producing countries were not carrying out a similar policy.

"There are more than 300,000 coffee producers in our country and around 3m are engaged in activities related to the coffee industry. This sector would find it difficult to understand any *limitation* on its production, knowing that in other countries the opposite was taking place.

He warned that the rise in prices following the recent Brazilian frost might provide an impetus to increased production which could lead, in a very short time, to a new world surplus of coffee.

"*If* consumers continue to consider it is better to leave matters to the law of supply and demand, the producing countries will have no alternative but to conclude that the consumers are not really interested in the operation of an international agreement.

"And *in* that *case,* they would be obliged to take steps to organise the defence of their coffee economies, using the means appropriate to a market economy," he said.

The existing situation could lead to extremely important decisions, Sr. Ayala said—"and the sooner they are taken the better."

Ghana cocoa mid crop may fall

ACCRA — The 1979 Ghana mid crop, due to start on July 15, is not expected to exceed the low 1978 figure of 8,000 to 9,000 tonnes, Kwame Pianim, *executive chairman of* the Ghana Cocoa Marketing Board told Reuters. This compares with recent trade estimates of a 12,000 to 13,000 tonne mid-crop.

But Mr. Kwame Pianim added that in spite of declining production the Ghana Cocoa Marketing Board has been able to honour all its commitments to the world market.

Mr. Pianim *said cocoa* shipments were ahead of schedule with 159,000 tonnes exported up to the end of June. He said 70 per cent of the crop had arrived at the ports with the remaining 17 per cent, around 40,000 tonnes, en route from the bush to storage depots in the towns.

Transport difficulties, bad roads and a lack of spare parts had hindered the movement of cocoa, he said, but there were *few holdups and petrol* was easily accessible despite

Smuggling of cocoa into Togo and the Ivory Coast was being overcome, he claimed, following the doubling of the producer *price to 30 cedis per 30 kilos.*

He said losses through smuggling for the main crop season just over are estimated at around 18,000 tonnes, against an average of 35,000 in past *seasons.*

He said Ghana was considering ways of rehabilitating the cocoa industry by paying farmers more and by improving social facilities upcountry to halt the *population drift* into the cities.

He said the low price paid for cocoa by the marketing board—the farmers only receive 30 per cent of the world price—was forcing many farmers to grow cash crops like maize and cassava *in an attempt* to beat inflation.

He said some farmers were refusing to harvest their cocoa due to high labour costs and the low return from the Govern*ment which was costing Ghana* about 50,000 to 100,000 tonnes annually. But he estimated that given the right encouragement they could produce up to 400,000 tonnes of cocoa annually.

Mr. Pianim denied market rumours that two officials of the cocoa marketing board had been arrested.

A commission set up last year to inquire into the board was *in the process of submitting* its report to the Government, he said.

North Sea herring ban to continue

Financial Times Reporter

THE GOVERNMENT is to continue its ban on herring fishing in the British sector of the North Sea during 1979, the House of Commons was told yesterday.

Mr. George Younger, Scottish Secretary, said there was "compelling scientific evidence" to continue protecting herring stocks in British waters. The *Government regretted the hard*ship for catchers and processors caused by the ban, he said.

Indian sale lifts sugar market

BY OUR COMMODITIES EDITOR

SUGAR PRICES on the London futures market rose yesterday in spite of the continued strength of sterling. The October quotation ended the day £1.25 higher at £109.75 a tonne *after climbing to £110.15* a tonne at one time.

In the morning the London daily raw sugar price was cut by £1 to £100 a tonne, possibly reflecting the rise in the pound on Tuesday.

Dealers said the rise on the futures market was encouraged by India's sale of 66,000 tonnes of whites on Tuesday at a "good" price. They added that India has now sold 110,000 tonnes in the past week and can have little of its current International Sugar Agreement export quota left.

The EEC Commission yesterday granted export rebates on 46,000 tonnes of white sugar at its weekly tender compared with 43,250 tonnes last week. But the maximum rebate was raised to 30,348 units of account from 30.040.

Some dealers thought this indicated that the higher export figure resulted from a policy decision by the Commission rather than from stronger demand. No raw sugar exports were authorised.

The EEC will hold another export tender next week but no decision has yet been taken on whether there will be any further tenders after that.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the London Metal Exchange in the face of consistent trade buying although the market for forward metal was thin over £830. Forward metal started at 828, *slipped to £825 and then climbed* to a high for the day of £835.5 before closing on the Kerb at £831 with Comex closed for Independence Day. Turnover, 3,825 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	816-.5	+1.75	823-4	+7.5
3 months	831-.5	-1.25	835-.5	+5
Settl'm'nt	816.5	+1.5	—	......
Cathodes				
Cash	795-8	+4.5	802-4	+8.5
3 months	815-.5	-1	818-9	+5
Settl'm'nt	798	+5	—	......
U.S. Smt.	—	......	*84-92	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £816.5, three months £831, 30.5, 31, 31.5, 31. Kerb: Wirebars: three months £832, 33, 34. Afternoon: *Wirebars: Cash £819, three months* 834, 33, 31, 33, 34, 34.5, 35, 35.5, 36. Cathodes: Three months £819. Kerb: Wirebars: Cash £819, three months 835, 34, 33, 31, 30, 31.

TIN—Steady in routine two-way trading with the market tending to move independently of the rise in sterling. But a technical squeeze on nearby supplies emerged, widening the backwardation. Forward metal moved down from £700 to £6,965 before lifting back to £7,000 and closing on the Kerb at £6,985. Turnover, 1,250 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7790-800	+225	7800-20	+255
3 months	6970-90	—20	6990-7010	—15
Settlem't	7800	+220	—	......
Standard				
Cash	7790-800	+225	7800-20	+255
3 months	6970-80	—20	6990-7000	—17.5
Settlem't	7800	+220	—	......
Straits E.	$1995	+20	—	......
New York	—		—	......

Morning: Standard: Cash £7,700, 7,750, 90, 7,800, 7,780, 7,800; three months £6,980, 70, 75. Kerb: Standard: Three months £6,970. Afternoon: Standard: Cash £7,780, 7,820, 7,800: three months £6,990, 7,000.

LEAD—Very firm as speculative and trade buying with some short covering took *forward metal up from £575-£577* to a high in the afternoon of £598. The market ignored the strength of sterling and the backwardation widened. The close on the Kerb was slightly below *the highest level at £596.5.* Turnover, 7,875 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	628-.5	+18.2	629-31	-21
3 months	593-.5	+18	594-.5	-20.2
Sett'ment	628.5	+10	—	......
U.S. Spot	—	......	*54-8	......

Morning: Cash £612, 22, 28, 29, 30, 29, 28; three months £585, 86, 87, 88, 89, 88, 90, 92, 93.5. Kerb: Cash £630; three months £594, 95, 96, 97, 96. Afternoon: Cash £630; three months £597, 96, 95, 94. Kerb: Three months £597, 96, 96.5, 96.

ZINC—Steady in modest trading lacking fresh stimulus. Throughout the day forward metal moved between £347 and £354, closing on the Kerb at £350.5. Turnover, 1,700 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	338.5-9.5	+2.5	338-9	+1
3 months	350-1	+1.75	350.5-1	+2.12
S'ment	339.5	+2.5	—	......
Prim.west	—	......	*39.5	......

Morning: Three months £352, 51, 52, 51. Afternoon: Three months £351, 52, 51, 50.5.

ALUMINIUM—Higher on trade buying against the background of a buoyant physical market. Forward metal started at £696 and met widespread inquiry under £700. The price rose to £715 before subsiding to close on the Kerb at £710. Turnover, 3,575 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	701.2	......	710-2	+8.5
3 months	701-2	......	711-2	+9

Morning: Three months £698, 701, 702. Kerb: Three months £702, 3. Afternoon: Three months £703, 5, 6, 8, 10, 11, 13, 14, 15, 12, 11. Kerb: Three months £711, 12, 13, 10, 9, 10.

NICKEL—Moved narrowly in generally featureless trading as forward metal started at £2,670, slipped to £2,650 and *then climbed to £2,690. Unable to hold* this level, the price fell to £2,680 and closed on the Kerb at £2,685. Turnover, 426 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	—	......	—	......
3 months	2660-70	-12.5	2680-90	+30

Morning: Three months £2,670, 80, 85, 90, 85, 70. Kerb: Three months £2,670. Afternoon: Three months £2,675, 80, 85, 80, 85. Kerb: Three months £2,680, 85.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.55p an ounce higher for spot delivery in the London bullion market yesterday at 392.6p. U.S. cent equivalents of the fixing levels were: spot 874.5c, up 14.3c; three-month 892.2c, up 14.1c; six-month 913.1c, up 13.1c; and 12-month 948.10c, up 14.9c. The metal opened at 392-393p (870-872c) and closed at 392½-393½p (874-876c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	392.6p	+0.55	393.4p	+1.8
3 months	403.8p	+0.5	404.75p	+2.75
6 months	414.95p	-0.55	—	......
12 months	434.5p	-0.1	—	......

M/c No. TEN—Seager

LME—Turnover 109 (97) lots of 10,000 ozs. Morning: Three months 404, 4.2, 4.4, 4, 4.2. Kerbs: Three months 404.3, 4.4. Afternoon: Three months 404, 4.6, 4.8. Kerbs: Three months 404.8, 4.7.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller only): July 228, 218; Oct. 233, 218; Dec. 238, 218; March, May, July, Oct., Dec. 238, 228. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only): July 180, 168; Oct. 188, 180; Dec., March, May, July, Oct., Dec. 195, 190. Sales nil.

SYDNEY GREASY—Close (in order buyer, seller, business, sales): Micron Contract: July 384.0, 385.0, 384.5-384.0, 11; Oct. 392.0, 392.5, 395.5-392.5, 22; Dec. 398.0, 398.5, 401.0-398.0, 23; March 406.0, 407.0, 410.0-407.0, 30; May 408.5, 410.0, 412.5-410.0, 20; July 411.5, 413.5, 415.0-417.0, 7; Oct. 413.5, 416.0, nil, nil; Dec. 416.0, 418.0, 420.0-420.0, 26. Sales 138.

COCOA

Prices yesterday traded within a narrow range and at the end of a lack-lustre day closed £10 below Tuesday evening levels, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
July	1488-1490	—7.0	1497-1480
Sept	1551-1552	—16.5	1557-1519
Dec	1597-1598	—16.0	1605-1591
March	1633-1635	—16.0	1643-1630
May	1656-1657	—16.0	1663-1653
July	1676-1684	—17.5	1680
Sep	1687-1709	—24.5	1700

Sales: 3,225 (6,975)

International Cocoa Organisation (U.S. cents per pound): Daily price July 3 154.15 (157.96). Indicator prices for July 4: 15-day average 157.11 (157.24); 22-day average 157.8 (157.88).

COFFEE

After opening £20-£40 higher to follow late firmness of the New York C Contract, Robustas drifted lower as further long liquidation, together with the strength of sterling prompted an easier tone to the mornings proceedings *reported Drexel. The afternoon* was generally quiet due mainly to the *Independence Day holiday* in the U.S. Values finally closed £11 up on near July to £17 down on distant positions.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1986-90	+11.0	2025-1965
September	2022-25	—13.5	2060-18
November	2026-27	—10.0	2060-22
January	2033-34	—17.0	2061-30
March	2015-17	—09.0	2040-17
May	2001-10	—17.0	2035-10
July	2003-04	—17.0	2030-02

ICS indicator prices for July 3 (U.S. cents per pound): Other Mild Arabicas 210.5 (212.0). Robustas ICA 1976 206.0 (209.0); ICA 1968 206.5 (209.5): Colombian Mild Arabicas 212.0 (217.5): Unwashed Arabicas 208.0 (209.0): Comp. daily ICA 1968 208.58 (211.08).

GRAINS

LONDON FUTURES (GAFTA) — The market opened unchanged to 5p higher *and moved 10-20p higher* in the morning in thin trading. Some hedge selling was seen in the afternoon and values eased back slightly to close 10-20p down on wheat at 5p lower to 5p higher on barley, reported Acli.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Sept.	92.10	—0.2	88.05	—0.05
Nov.	96.00	—0.05	92.05	+0.05
Jan.	100.15	—0.05	96.15	—0.05
Mar.	103.55	—0.05	99.50	......
May	107.00	—0.10	102.70	—0.05

Business done—Wheat: Sept. 92.40-92.00, Nov. 96.25-95.90, Jan. 100.4-100.05, March 103.6-103.6, May 107.25-106.95. Sales 74. Barley: Sept. 88.25-88.00, Nov. 92.20-92.00, Jan. 96.35-96.15, March 99.65-99.45, May 102.95-102.65. Sales 159.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, *July 97.25, Aug. 97.50, Sept. 98.25,* transhipment East Coast. U.S. Hard Winter, 13½ per cent, Aug. 99.50, transhipment East Coast. EEC unquoted. Maize: U.S./French, July 107.50, Aug. 109.50, transhipment East Coast. S. African White unquoted. S. African Yellow, Aug. 82.00 nom. Barley: *English Feed fob, Sept. 90, East* Coast, Sept. 91. Bristol Channel sellers Aug. 88 nom., Sept. 89.75 nom., South Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian Feed unquoted.

HGCA—Location ex-farm spot prices: Feed barley: Shropshire 90.40, Essex nil. The UK Monetary Coefficient for the week beginning Monday, July 9, is expected to decrease to 1.165.

EEC IMPORT LEVIES—The following levies and premiums are effective for July 5, in order current levy plus Aug., Sept. and Oct. premiums, with previous in brackets. All in units of account per tonne. Common wheat: 77.61, rest nil (77.61, rest nil): Durum wheat: 121.93, rest nil (121.93, rest nil): Rye: 79.87, rest nil (82.11, rest nil): Barley: 74.09, rest nil (75.02, rest nil): Oats: 96.82, rest nil (86.82, rest nil): Maize (other than hybrid for seeding): 76.44, rest nil (77.93, rest nil): Buckwheat: 4.06, rest nil (4.06, *rest nil): Millet: 59.01, rest nil (62.84,* rest nil): Grain sorghum: 77.31, rest nil (78.80, rest nil). Flour levies: Wheat or mixed wheat and rye flour: 123.43 (123.43): Rye flour: 128.59 (129.73).

RUBBER

STEADIER opening on the London physical market. Fair interest at higher levels, closing on a slightly steadier note. Lewis and Peat reported a Malaysian godown price of 282.5 (285) cents a kilo (buyer, July).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Aug	62.50-63.00	61.10-61.30	—
Sept	63.00-64.00	62.20-62.40	—
Oct-Dec	66.20-66.30	64.90-64.95	66.30-64.80
Jan-Mar	68.45-68.50	67.30-67.40	68.50-67.85
Apr-Jne	70.70-70.75	69.50-69.55	70.75-69.55
Jly-Sept	72.95-73.05	71.65-71.90	—
Oct-Dec	75.10-75.40	74.20-74.65	74.85-74.75
Jan-Mar	77.25-77.45	76.20-76.25	77.25-75.70
Apr-Jne	79.40-79.80	78.55-78.58	79.40-79.80

Sales: 413 (473) at 15 tonnes and 19 at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.0p (61.5p); Aug. 65.50p (65.0p); Sept. 66.00p (65.5p).

SOYABEAN MEAL

The London market opened steady following the overnight trend in Chicago, but then eased back, reflecting strength of sterling, reported T. G. Roddick. Trading was rather subdued, reflecting the Independence Day holiday in the U.S.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
August	122.70-23.5	—1.15	123.40-23.00
October	124.50-25.0	—1.0	125.50-24.50
December	126.00-26.2	—0.15	127.00-25.80
February	127.00-27.5	—0.35	127.30-27.50
April	128.00-29.5	......	—
June	128.00-32.0	—0.25	—
Aug	128.00-34.0	—0.75	—

Sales: 80.

SUGAR

LONDON DAILY PRICE *(raw sugar):* £100.0 (£101.0) a tonne cif for July shipment. White sugar daily price was £102.0 (£104.0).

Market prices showed little change in quiet trading conditions. The U.S. market was closed for the Independence Day holiday, and therefore no London after-hours trading, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug.	106.10-06.15	105.20-05.50	106.25-05.25
Oct.	109.70-09.80	108.40-08.60	110.15-08.75
Dec.	113.65-15.35	112.80-12.90	114.45-14.00
March	119.95-20.00	118.75-18.85	120.40-19.75
May	122.75-23.00	121.40-21.50	123.35-22.75
Aug.	126.00-27.00	124.40-25.40	127.00-26.00
Oct.	129.25-31.00	127.50-28.50	131.00-29.50

Sales: 974 (883) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (£298.55) a tonne for home trade and *£170.0 (£169.5)* for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for July 3: Daily price 8.54 (8.49); 15-day average 8.30 (8.28).

WHITE SUGAR—Close (in order, buyer, seller, business, sales): Sept. 106.75, 107.50, 108.60-107.50, 15; Nov. 110.75, 111.00, 111.00-110.70, 55; Feb. 118.75, 119.50, 118.75, 10; April 122.00, 122.75; July 126.25, 127.50; Sept. 129.00, 133.00; Nov. 132.00, 137.00. Sales: 80.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 139 tonnes, bringing the total for the week so far to 735 tonnes. Fair general demand encountered, but actual transactions were not extensive. Supplies were sought in various North and Central American qualities, with useful support in African growths.

PRICE CHANGES

In tonnes unless otherwise stated.

	July 3 1979	+ or —	Month ago
Metals			
Aluminium	£710/50	......	£710/50
Free Mkt (cs)	$1,510/50	—20	$1,595/15
Copper			
Cash w'bar	£823.5	+7.5	£875.5
3 mth	£835.25	+5.0	£887.25
Cash Cathode	£803	+9.5	£850.5
3 mth	£818.5	+6.0	£871.5
Gold troy oz	$283.625	+1.5	$275.875
Lead cash	£630.0	+21	£583
3 mth	£594.5	+20.25	£625.75
Nickel	£3225.4	......	£3,117.82
Freemkt(cif)(lb)	250/75c	......	320/60c
Platin'm tr'y oz	£165.0	......	£171
Free mkt	£189.65	—0.15	£205.8
Quicksil'ver	$285/300	......	$350/40
Silver troy oz	392.6p	+0.55	415.6p
3 months	403.8p	+0.5	426.7p
Tin cash	£7,810	+235	£7,510
3 mths	£6,995	—17.5	£7,165
Tungsten	$141.61	......	$137.52
Wolfrm 22.04 cif	$140/145	—3.5	$141/47
Zinc cash	£338.5	+1	£365.75
3 months	£350.75	+2.125	£377.75
Producers	$845	......	$845
Oils			
Coconut (Phil)	£1,135x	+5.0	$1,080
Groundnut	‡	......	‡
Linseed Crude	£400	—5.0	£386
Palm Malayan	$581.5v	+2.5	$654.5p
Seeds			
Copra Philip	$755w	+5.0	$712.5
Soyabean (U.S.)	$321p	......	$309.3
Grains			
Barley Futures	£92.05	+0.05	£90.6
Maize			
French No 3 Am	£107.5	—2.0	£110.75
Wheat			
No. 1 Red Spg.	£97.25	—1.75	‡
No2HardWint.	£99.5p	—1.0	‡
Eng. Milling †	‡	......	£107.5
Other commodities			
Cocoa ship't	£1,631.5	—10.5	£1,790
Future Sept.	£1,531.5	—18.5	£1,728.5
CoffeeF't'rSep	£2,022.5	—13.5	£1,875.5
Cotton A'Index	76.55c	+0.6	*74.9c
Rubber kilo §	61.0p	—0.9	64.25p
Sugar (Raw)	£100.0	—1.0	£101
Wooltp's 64s kl	271p	......	279p

* Nominal. † New crop. ‡ Unquoted in tonnes, unless otherwise stated. *p* August. *x* July-Aug. *t* Sept. *w* Sept.-Oct. *y* Nov. *z* Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on July 4. GB cattle 89.49p per kg. l.w. (+1.10): UK sheep 161.9p per kg. est.d.c.w. (—8.0): GB pigs 61.6p per kg. l.w. (+4.9). England and Wales: Cattle numbers up 17.6 per cent, average price 89.20p (+1.26); Sheep numbers down 6.1 per cent, average price 162.0p (—7.6); Pig numbers down 1.2 per cent, average price 61.8p (+4.9). Scotland: Cattle numbers up 31.7 per cent, average price 90.18p (+0.55): Sheep numbers down 3.9 per cent, average price 159.4p (—22.9): Pig numbers down 27.8 per cent, average price 61.9p (+7.0).

SMITHFIELD—Pence per pound. Beef: *Scottish killed sides* 64.0 to 68.0; Eire hindquarters 80.0 to 83.0, forequarters 42.0 to 44.0. Lamb: English small 62.0 to 72.0, medium 64.0 to 70.0. Imported frozen: NZ PL 51.0 to 51.5, PM 50.5 to 51.0. Pork: English, under 100 lb 34.5 to 43.0, 100-120 lb 34.0 to 42.0, 120-160 lb 34.0 to 41.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Israeli: Valencia Lates 4.40-5.40; Cyprus: 5.00-6.00; S. African: Navels 4.60-8.30; Brazilian: 5.80-6.20. Lemons—Italian: 100/120's 6.00-6.50; Spania: Trays 30/40/45 3.00-3.20. Grapefruit—S. African: *32/64 3.60-5.10; Jaffa:* 38's 4.80-5.00. Apples—S. African: Granny Smith 7.50, White Winter Pearmain 3.00, Starking 4.00-5.50, Golden Delicious 6.50-6.80; New Zealand: Sturmers 7.30, Delicious 6.50; Tasmanian: Jonathans 5.60, Golden Delicious 4.00, Democrats 7.00, Sturmer Pippins 6.50-6.60, Granny Smith 7.00; Victorian: Granny Smith 7.30; W. Australian: Granny Smith 7.30; Washington: Red Delicious per box 8.00-9.00; French: Golden Delicious 72's 2.20-2.30, 84's 1.90-2.00, jumble pack per pound 0.05-0.08; Italian: Rome Beauty 0.08-0.09, Democrats per pound 0.10; Victorian: *Lates 8.00.* Pears—S. African: Cartons, Packham's 6.50, *Nelis* 5.50, Josephines 6.50; *Victorian:* Josephines 8.50, Packham's 8.50-9.00, Wintre Nelis 6.50; Spanish: Per pound Morettini 0.20. Plums—Spanish: Sante Rosa 3.00-3.60, Japs 1.60-1.70, Gaviotas 3.40-3.50, Pratts 4 kg 2.00; Italian: Florentias per pound 0.15. Grapes—*Cyprus: Cardinal, per pound 0.45-0.50,* Perlette 0.60-0.70. Peaches—Spanish: D/C/B's 1.80-2.30; Italian, 1½ trays D's 1.30, C's 2.10-2.20, B's 3.20-3.40, A's 3.70-3.80, small trays C's 1.50, B's 1.80. Nectarines—Spanish: Trays 2.50-4.00. Apricots—Spanish: 2.80-3.00. Cherries—Italian: 0.50; French: 0.40. *Bananas—Jamaican: Per 28 lb* 4.20. Avocados—S. African: 4.00-4.50. Onions—Dutch: 4.20; Spanish: 4.50-5.50. Tomatoes—Jersey: Per tray 2.20: Dutch: 2.40-2.60; Guernsey. 2.40-2.60. Cabbages—Dutch: White, net 6.00-6.50. Potatoes—Cyprus: 4.50; Jersey: Per pound 0.05½-0.06. Capsicums—Dutch: 5.20; *Italian: Per pound 0.40.* Carrots—Cyprus: 28 lb 1.60; Italian: Approx. *18/22 lb* 1.80-2.00; French: 12 kg 1.90-2.00. Melons—Spanish: Small trays, green 3.00-3.30. Water-melons—Spanish:/Greek: Per kg 0.25-0.30. Beetroot—Cyprus: 2.00. Melons—Spanish. Yellow Honeydew 10 kg 6/14's 6.00-6.50.

English Produce: Potatoes—New crop *per bag* 2.20-2.40. Lettuce—*Per* 12 round 1.20-1.30, Cos 1.40. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.04-0.08. Rhubarb—Per pound outdoor 0.03-0.04. Tomatoes—Per 12 lb 2.20-2.40. Cucumbers—Tray 8/18's 1.50-1.80, pre-pack 2.20-2.40. Cauliflowers—12's Lincoln 2.00-*2.50. Spring Greens—Per crate Kent* 1.20, Primo 1.40. Celery—Boxes, 12/20's 3.50-4.00. Strawberries—Per ½ lb 0.12-0.22. Gooseberries—Per pound 0.15-0.18. Peas—Per pound 0.12-0.13. Broad Beans—Per pound 0.10-0.11. Cherries—Per pound 0.30-0.40. Onions—Per bag 4.40-4.50. Carrots—Per *bunch 0.12-0.15.*

AMERICAN MARKETS

Wednesday's closing prices

NEW YORK, July 3.

Coffee—"C" Contract: July 209.98 (211.00), Sept. 215.54 (217.53), Dec. 214.80, March 213.09, May 212.44, July 211.85, Sept. 210.78, Dec. nil.

*Gold—July 283.80 (282.20), Aug. 285.80 (284.00), Sept. 288.40, Oct. 291.00, Dec. 296.10, Feb. 300.70, April 305.40, June 310.10, Aug. 314.70, Oct. 319.20, Dec. 323.60, Feb. 328.00, April 332.40.

*Platinum—July 419.00 (419.50), Aug. nil (nil), Sept. nil, Oct. 417.70, Jan. 419.20, April 421.70, July 424.70, Oct. 427.80, Jan. 430.60.

Cocoa—July 140.80 (143.50), Sept. 145.80 (149.25), Dec. 151.50, March 154.40, May 156.20, July 157.85, Sept. 159.70.

No U.S. markets are available today due to the Independence Day holiday.

Cotton—July 62.60 (62.30), Oct. 64.94-65.10 (64.43), Dec. 63.95-64.10, March 65.00, May 65.70 bid-66.00 asked, July 66.30 bid-66.70 asked, Oct. 66.50 bid-67.00 asked, Dec. 67.00 bid-67.25 asked.

Sugar—No. 11: Sept. 8.87 (8.76), Oct. 9.18 (9.05), Jan. 9.78, March 10.18, May 10.37, July 10.61, Sept. 10.78, Oct. 10.86.

Copper—July 80.40 (78.30), Aug. 80.30 (78.30), Sept. 80.20, Dec. 80.45, Jan. 80.60, March 80.90, May 81.00, July 81.10, Sept. 81.20, Dec. 81.50, Jan. 81.50, March 81.50, May 81.50.

Potatoes (round whites)—Nov. 65.4 *(65.3), March 83.0 (83.2),* April nil, May 100.3.

¶Silver—July 870.8 (855.4), Aug. 876.3 (861.2), Sept. 884.0, Dec. 903.2, Jan. 908.8, March 919.8, May 930.8, July 941.8, Sept. 952.8, Dec. 970.0, Jan. 976.6, March 988.8, May 997.6.

Tin—720.00-730.00 nom. (710.00-730.00).

CHICAGO, July 3.

Lard—Chicago loose not available. New York prime steam not available.

Live Cattle—Aug. 67.20-67.15 (66.07-67.17), Oct. 65.50-65.35 (64.22-65.42), Dec. 67.90-67.75, Jan. 69.10 asked, Feb. 69.50-69.35, April 70.62-70.50, June 72.25, Aug. 71.20 bid, Oct. 71.05 bid, Dec. 71.75 bid. Sales: 22,580.

‡‡Maize—July 311½-312 (306½), Sept. 313-312½ (309½), Dec. 316-316½, March 324½-324, May 327-326, July 326½.

Pork Bellies—July 34.02-34.15 (34.30-34.10), Aug. 33.00-33.10 (33.35-33.05), Feb. 42.95-43.20, March 43.30 bid-43.45, May 44.25, July 45.30 bid-45.70, Aug. 44.35 asked. Sales: 7,817.

Silver—July 873.0 (860.5), Aug. 878.5-*878.0 (868.0),* Oct. 891.0-890.0, Dec. 903.5-904.0, Feb. 915.5, April 926.5-927.0, June 938.0, Aug. 948.0, Oct. 960.0, Dec. 971.0, Feb. 982.0, April 993.5, June 1005.0, Aug. 1016.5, Oct. 1028.0, Dec. 1040.0, Feb. 1052.5, April 1064.0, June 1076.5.

‡Soyabeans—July 754-753 (747); Aug. 761-763 (756); Sept. 764-762, Nov. 758-759, Jan. 769-770, March 780, May 784-785, July 785.

Soyabean Meal—July 206.00-205.50 (204.50); Aug. 206.00-205.30 (204.20); Sept. 205.50-205.30, Oct. 206.00-205.50, Dec. 200.00-206.50, Jan. 209.50-209.80, March 210.50-211.50, May 211.50, July 210.50-211.50.

Soyabean Oil—July 27.80 (27.57); Aug. 27.65-27.69 (27.58); Sep. 27.45-27.40, Oct. 27.20, Dec. 26.90-26.95, Jan. 26.90, March 26.91, May 26.90, July 26.85, Aug. 26.70.

‡Wheat—July 443-441½ (443¼); Sept. 448-446½ (448¾); Dec. 462-460½, March 464-463½, May 455, July 423-425.

EUROPEAN MARKETS

ROTTERDAM, July 4.

Wheat—U.S. No. Two Dark Hard Winter Wheat 13.5 per cent August $202. U.S. Hard Winter Wheat *ordinary unquoted. U.S. No. Two Red* Winter Wheat August $200, Sept. $203. U.S. No. Two Northern Spring Wheat 14 per cent, July $198, August $198, Sept. $199, Oct. $202, Nov. $204.

Maize—U.S. No. Three Corn Yellow All $155, July $155, August $156, Sept. $157, Oct./Dec. $159, Jan./March $165.

Soyabeans—U.S. 2, Yellow Gulfports afloat $305.50, July $313, Aug. $317, Sept. $316, Oct. $310, Nov. $309.50, Dec. $314, Jan. $317.50, Feb. $322, March $322.50, April $324.25, May $325, June $325.50, July $326.50. Brazil Yellow FAQ spot $306, afloat $304.25. Argentine afloat $302, June-July $301, Aug. $306 sellers, July $300 traded. Paraguay *July $307.75,* Aug. $315.50.

Soyameal—44 per cent protein U.S. afloat $254, June $254, July $254, Aug. $256.50, July-Sept. $256.50, Nov.-March $262. Brazil Pellets arrived $249, traded *afloat $257.75, June $257.75,* July $259, Aug. $259.75, Sept. $261. Linseed Expellers Argentine/Uruguay 37-38, afloat $277, June $277, July $281, Aug. $288, Sept. $293, Oct. $294. Sunflower/seed/meal/pellets, Argentine/Uruguay 37/38, afloat $196, July-Aug. $199, Sept. $201, Oct. $205, Oct.-Dec. $207.

PARIS, July 4.

Cocoa (FFr per 100 kilos)—July 1410-1415, Sept. 1465-1475, Dec. 1500-1505, March 1525-1542, May 1520-1550, July 1520. Sales at call 3.

Sugar (FFr per 100 kilos)—Aug. 955-959, Oct. 1014-1015, Nov. 1012-1018, Dec. 1050-1070, March 1110-1115, May 1136-1144, July 1146-1170, Aug. 1156-1180. Sales at call 19.

INDICES

FINANCIAL TIMES

July 3	July 2	M'nth ago	Year ago
292.11	292.05	290.14	240.05

(Base: July 1, 1952=100)

MOODY'S

July 3	July 2	M'nth ago	Year ago
1086.3	1085.2	1071.3	920.9

(December 31, 1931=100)

DOW JONES

Dow Jones	July 3	July 2	Month ago	Year ago
Spot	417.23	419.75	409.16	359.09
F'tur's	423.86	432.15	408.99	345.87

(Average 1924-25-26=100)

REUTERS

July 4	July 3	M'nth ago	Year ago
1595.4	1601.1	1583.3	1459.8

(Base: September 18, 1931=100)

G. Index Limited 01-351 3466. Jan.-March Rubber 68.15-68.80
9 Lamont Road, London, SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 470-475

INSURANCE BASE RATES
† Vanbrugh Guaranteed 11¼%
† Property Growth 11½%
† Address shown under Insurance and Property Bond Table.

COMPANY NOTICE

TRAFALGAR FUND
société anonyme
Registered Office
LUXEMBOURG, 14, rue Aldringen
Commercial Register:
LUXEMBOURG, Section B 8.202

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The shareholders meeting of June 12th 1979 not having attained the necessary quorum, an Extraordinary General Meeting of Shareholders will be held at the registered office of the Company in Luxembourg, 14, rue Aldringen, on August 8th, 1979 at 15.00 hours to vote on the following point of the agenda:
—to renew the authorisation to issue additional shares within the authorised capital for a further five-year period.

The shareholders are advised that at this second meeting no quorum is required and that decisions will be taken by the majority of the shares present or represented at this meeting provided that shares not represented at this meeting (up to a maximum of one-third of the total number of shares in issue) will be deemed to vote in favour of the proposed resolution, and that in that case the resolution will require the concurrence of a majority of the shares represented at the meeting.

In order to take part at the meeting the owners of bearer shares must deposit their shares at least five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with one of the following banks:
—Banque Générale du Luxembourg, S.A.
14, rue Aldringen, Luxembourg
—J. Henry Schroder Wagg & Co. Limited,
48, St Martin's Lane, London WC2N 4EJ.
The Board of Directors.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. Exhibition of OLD MASTER PAINTINGS. Until 27 July. Mon.-Fri. 9.30-5.30. Thurs. until 7.00.

AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. PERSIAN MINIATURES. An Exhibition of seventeen pages from the Houghton Shahnameh. Until 24 August. Mon.-Fri. 9.30-5.30. Thurs. until 7.

ANTONY d'OFFAY, 9, Dering Street, New Bond Street. DAVID JONES. Mon.-Fri. 10-6. 01-629 1578.

CAMPBELL & FRANKS (Fine Arts) LTD., 37, New Cavendish St., W.1. 01-486 1456. SIR WILLIAM RUSSELL-FLINT and HERCULES BRABAZON-BRABAZON until 27 July. Daily 10.30-5.30. Saturdays 10.30-1.00.

CRANE KALMAN GALLERY, 178, Brompton Rd., S.W.3. 01-584 7566. MODERN BRITISH EUROPEAN AND AMERICAN PAINTINGS AND SCULPTURE. Mon.-Fri. 10-6. Sat. 10-4.

DAVID CARRITT LIMITED, 15, Duke Street, St. James's, S.W.1. COROT AND COURBET. Until 13 July. Mon.-Fri. 10-5.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Suppers from 10-3.30. Disco and top musicians, glamorous Hostesses. Exciting floor shows. 189, Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Shows at midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

PUBLIC NOTICES

CORPORATION BILLS
£5.0m Hants. C.C. Bills issued 4th July at 13 17-64ths% to mature 1st August. Applications £40.0m. Outstanding £39.0m.
£0.65m Stoke Bills issued 4th July at 13 11/32% to mature 3rd October. Applications £4.65m. Outstanding £0.65m.
£0.75m Nottingham Bills issued 4th July at 13 11/32% to mature 3rd October. Applications £4.5m. Outstanding £0.75m.

TRAVEL

NEVA. Basle, Zurich and Berne, widest range of cheap flights from 4 UK airports. Brochure CPT LTD., 01-351 2191. Telex 915078. ATOL 369B.

Gilts active again but close mixed after profit-taking
Equities again flatter to deceive and end lower

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 18	Jun. 28	Jun. 29	July 10
July 2	July 12	July 13	July 24
July 16	July 26	July 27	Aug. 7

* "New time" dealings may take place from 9.30 am two business days earlier.

Government stocks were again in vogue in stock markets yesterday. During another heavy trade, still inspired by interest rate speculation, long-dated gilts rose a point more before the market began to show signs of being overbought. The ensuing reaction was then fairly swift and quotations reverted almost to overnight list levels before improving again late.

On balance, demand was largely from overseas investors on considerations that the returns offered on longer gilts are highly favourable for a petro-currency. While much of the selling represented profit-taking from domestic operators, some of whom, because of prevailing tight money conditions, were undoubtedly experiencing difficulty in raising funds for the calls of around £725m due within six days from tomorrow on the two Government partly-paid stocks.

Late suggestions that the Government could be near to releasing details of a placing of British Petroleum shares, subsequently denied from Westminster sources, also tended to dampen enthusiasm for Gilts and, at the same time, hastened a downdrift in leading shares.

The funds finally settled on a mixed note, with the shorts suffering from switching longer and sustaining falls to ½: these contrasted with net rises of that amount in the ultra-longs. War Loan stood out among irredeemables, gaining ⅜ to 34: although the stock is widely held, there is not an extensive market in it.

Leading industrials again flattered to deceive, a fact illustrated by the FT 30-share index. It was 3.0 higher at 11 am, but at the close the index was 5.6 down on balance at 473.9. The unfounded BP rumours obviously made some impression on sentiment because a placing would lean heavily on available investment funds. Meanwhile, ICI were unsettled by reports that the price of naphtha, one of the group's basic materials, would increase more rapidly through Exxon ending its exports to Japan after the end of March next year.

Looking forward to the possibility of UK economic sanctions on Zimbabwe Rhodesia being lifted in the autumn, buyers were about still for Southern Rhodesian bonds. The 2½ per cent 1965/70 issue did best with a further rise of 6 to £89, while other gains ranged to 3.

Another large business developed in investment currency where the presence again of institutional buyers cushioned the fall in the premium; after a low of 22¾ per cent, the rate rallied to close a net 1½ points down at 24¼ per cent. Yesterday's SE conversion factor was 0.9466 (0.9340).

A further contraction in demand for Traded options left the number of contracts completed at 580, compared with Monday's 1,014 and Tuesday's 746. Land Securities, 112, ICI, 96, and Courtaulds, 83, attracted the bulk of the business.

Banks below best

The major clearing banks failed to maintain early upward impetus and, with the exception of Barclays which finished 12 higher at 475p, closed narrowly mixed. Discount houses relinquished part of the recent gains, Alexanders easing 8 to 260p, while Clive cheapened 5 to 103p and Union shed 10 to 380p. The weakness of the Irish punt left Allied Irish 10 cheaper at 175p and Bank of Ireland 15 down at 340p.

Scottish and Newcastle proved to be the surprise bidder for free-trade concern Gough Brothers, offering an agreed 130p cash per share; Gough spurted 56 to 127p on the resumption of dealings, the shares having been temporarily suspended at the start of the day's business. Other speculative favourites made useful headway on the back of the bid, Matthew Clark putting on 10 to 140p, while Invergordon, 181p, and Sandeman, 65 both advanced 5. Leading Breweries began in firm mood with gains to 3, but eased during the afternoon reflecting the general direction of the market.

Leading Buildings closed easier for choice with Costain 4 off at 158p and Blue Circle 2 down at 278p. By contrast, selected secondary issues made progress in thin trading. Burnett and Hallamshire advanced 17 to 400p. Royco firmed 3 to 52p, while Bellway added 4 to 80p. Gough Cooper, interim results today, also improved 4, to 86p. Interest was shown in Benford Concrete Machinery which put on 3 to 44p. On the other hand, Ibstock Johnsen shed 8 to 82p on the potential rights issue following news of a major U.S. acquisition. Late selling left Brown and Jackson 8 cheaper at 245p and Cement Roadstone eased 4 to 80p, the latter on Irish currency influences.

ICI touched 347p in early dealings before reacting to 337p for a net fall of 8, on rumours of an imminent increase in naptha prices and the continued impact of the strong pound on export earnings. Among other Chemicals, occasional interest lifted Leigh Interests 4 to 114p, but Anchor Chemical eased that much to 62p, after 60p, following the death of the chairman.

Stylo rights issue

Store leaders opened firm, only to drift back on a lack of follow-through demand to close around the overnight levels. Burton A, a good market recently, touched 278p before closing unchanged at 272p. W. H. Smith, however, continued in demand and added 4 for a two-day rise of 11 to 177p. Secondary Stores also traded quietly with no decided trend but Henderson-Kenton, still buoyed by Tuesday's pleasing annual results, improved 5 for a two-day gain of 18 to 116p. Grattan lost support and fell 5 to 119p and among Shoes, the surprise rights issue call for £1.88m upset Stylo, 13 off at 128p.

Electrical leaders followed the general trend, GEC touching 374p in the earlier dealings before closing 10 down on the day at 358p; the preliminary results are due today. EMI ended 2 off at 106p, after 111p, and Thorn a few pence lower at 410p, after 416p. Dollar premium influences left Philips Lamp 17 down at 568p. Among secondary issues, G. H. Scholes firmed 8 to 293p, and Farnell 5 to 215p, but Eurotherm, a firm market of late, gave up 6 to 357p.

With the exception of John Brown, which rose to 514p before falling back to close 12 cheaper on balance at 497p, little of interest developed in the Engineering leaders. Companies expected to benefit from any possible future expansion in the nuclear energy programme continued to attract buyers, Northern Engineering gaining 4½ more to 64½p, after 66p, and Howden Group 3 further to 96p. Satisfactory results left English Card Clothing 4 higher at 116p. Rotork met further support and put on 3 more to 68p, while Simon Engineering, 284p, and Wolseley-Hughes, 250p, gained 4 and 5 respectively.

Foods ended with narrow mixed movements. Despite the chairman's optimism at the annual general meeting, J. Sainsbury eased a penny to 339p, but news of the company's expansion programme lifted Tesco 1½ to 74p. Overseas earnings considerations prompted fresh weakness in Rowntree Mackintosh which shed 6 more to 178p, while late selling clipped 4 from Tate and Lyle to 134p. An exceptionally firm market on Tuesday on persistent demand in a thin market, Somportex shed 8 to 107p on profit-taking.

Ladbroke shed 14 to 176p for a fall so far on the week of 34 on persistent nervous selling as the casino licences hearing continued.

Unilever sold

Persistent switching from Unilever into Unilever NV prompted marked dullness in the former which fell to close around the day's lowest with a fall of 24 at 520p. Other miscellaneous Industrial leaders got off to a bright start, but lack of sustained support at the higher levels and renewed strength in sterling saw prices react quite sharply to leave final quotations well down on balance. Beecham finished 13 cheaper at 537p, after 555p and Glaxo 8 lower at 450p, after 463p. Elsewhere, Bath and Portland, up 4 more at 88p, responded afresh to the annual results and financing arrangements with LTA Ltd., while the encouraging tenor of the annual report left Giltspur 4 to the good at 85p: IC Gas rose 12 more to 517p on the preliminary figures and R. W. Toothill gained 5 to 55p on the recovery in profits and return to the dividend list. Buyers showed interest in Myson which gained 5 to 92p and Vinten, up 6 at 169p, while John Baker, 202p, and A. Arenson, 126p, rose 7 and 5 respectively. Central Manufacturing were also supported at 80p, up 4.

Among Leisure issues, Associated attracted interest ahead of the annual results due on July 16 and firmed 3½ to 99p. An investment recommendation prompted a gain of 5 to 119p in Barr and Wallace Arnold Trust A.

Motor sectors traded quietly and closed narrowly mixed. Flight Refuelling featured with a rise of 14 to 188p following the re-emergence of speculative demand. Other Components ended with falls to 3, Dowty losing that amount at 318p, while Dunlop shed 2 to 64p.

John Waddington reported sharply reduced full-year profits, mainly due to the poor performance of its Videomaster subsidiary acquired midway through last year, and the shares gave up 6 at 156p.

Properties continued higher in spite of less optimism about an early cut in minimum lending rate. Gains were subsequently trimmed, however, as interest tailed off. Up to 307p initially, Land Securities finished 2 dearer on balance at 302p, while MEPC touched 183p before settling just a penny up on balance at 180p. Stock Conversion held firmly at 370p, up 4, while Hammerson A added 5 to 835p, after 840p. Elsewhere, UK Property put on 3 to 32½p following Press comment drawing attention to the annual results due tomorrow.

Shell weak

Unsettled by rumours, later denied, that details of the proposed sale by the Government of part of its holding in British Petroleum were imminent, Oil shares sustained a fairly heavy setback. British Petroleum dipped 1230p before settling at 1236p for a fall of 24 on the day, while Shell, additionally affected by persistent switching into Royal Dutch, reacted a similar amount to 354p. Recent North Sea favourites gave ground; Lasmo, 246p, and the OPS, 765p, reacted 10 apiece, while Ultramar fell 8 to 312p and Oil Exploration 6 to 314p.

Shaw Carpets provided an isolated firm spot among generally lower Textiles, closing 5 up at 56p, after 59p, on the more-than-doubled annual profits, 100 per cent scrip issue and the company's confidence about the outlook. Disappointment at the absence of a dividend despite the return to profits left Caird (Dundee) a penny cheaper at 18p.

A dull market ahead of announcement, Bats reacted further to close 10 down at 265p on confirmation that the proposed merger between its International Stores offshoot and Unilever's Macmarkets chain is to go ahead.

Charter lower

Lower net profits and only a modest increase in the dividend took Charter Consolidated down 6 to 140p, after 138p; the stock was the only one actively traded among London Financials. Rio Tinto-Zinc followed the industrial market and finished with a fall of 2 at 274p. Selection Trust softened 4 to 496p but Consolidated Gold Fields hardened 2 to 220p.

Mining markets were generally subdued with trading inhibited by the movements of the investments dollar premium, which tended lower again. Australians saw a modest business, usually among the energy stocks, following the overnight lead of Sydney. Pancontinental held relatively steady in the face of premium influences and closed 13 lower at 737p. Central Pacific and Southern Pacific, the Rundle oil shale partners, were respectively down 40 at 800p and 15 at 320p.

South African stocks generally traded quietly. The tone among both Golds and Financials remained firm, responding to the slightly higher bullion price after the Tuesday auction by the IMF.

The Gold Mines Index was 1.8 lower at 157.8, because of the premium, but dollar prices were steady and the ex-premium index was 0.3 higher at 149.4. There was some Continental demand in the morning, while New York was closed for Independence Day. Rhodesians were confined to a maximum of ¼ as with Vaal Reefs, at 27½, while Western Holdings slipped ¼ to £15¼.

Among the premium Financials, Minorco rose 4 to 150p while Johannesburg Consolidated Investment ... Rhodesians eased after the business interest in Far Eastern markets. Tins were a shade better following Far Eastern markets. Ayer Hitam finished 15 higher at 330p.

FINANCIAL TIMES STOCK INDICES

	July 4	July 3	July 2	June 29	June 28	June 27	A year ago
Government Secs.	75.45	75.18	72.88	71.09	70.81	70.57	69.02
Fixed Interest	74.84	74.57	73.36	72.69	72.42	72.58	70.98
Industrial	473.9	479.5	475.1	473.4	469.2	466.9	469.0
Gold Mines	157.8	159.6	161.9	167.8	174.4	176.0	161.2
Gold Mines (Ex-$ pm)	149.4	149.1	150.6	152.4	155.6	158.9	108.4
Ord. Div. Yield	5.97	5.88	5.93	5.94	5.97	6.00	[illegible]
Earnings, Yld. % (full)	16.53	16.28	16.33	16.18	16.27	16.37	17.78
P/E Ratio (net) (*)	7.67	7.79	7.78	7.85	7.84	7.79	[illegible]
Total bargains	16,088	19,292	17,597	19,378	16,100	14,947	[illegible]
Equity turnover £m	—	95.46	81.09	110.58	85.88	67.46	57.81
Equity bargains total	—	13,519	12,137	16,490	13,851	10,702	11,049

10 am 481.5. 11 am 482.5. Noon 481.3. 1 pm 479.4. 2 pm 477.7. 3 pm 477.4.
Latest Index 01-246 8026.
* Nil=7.35.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.81 (4/6)	64.64 (2/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	66.05 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (14/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (5/6)	189.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$pm)	169.5 (5/6)	[illegible] (2/11)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	July 4	July 3
—Daily		
Gilt Edged	[illegible]	[illegible]
Industries	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]
5-day Av'r'ge		
Gilt Edged	[illegible]	[illegible]
Industries	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1050	200	1	220	—	—	—	1251p
BP	1150	100	—	135	15	—	—	"
BP	1200	65	1	115	1	160	—	"
BP	1300	10	6	60	8	110	1	"
Com. Union	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	146p
Cons. Gold	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	219p
Cons. Gold	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	88p
Courtaulds	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	358p
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	118	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	143p
Grand Met.	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	337p
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	305p
Land Secs.	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	115p
Marks & Sp.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	357p
Shell	375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			185		196		128	
		August		November		February		
BOC Intl.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	74p
Boots	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	197p
EMI	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	106p
EMI	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EMI	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Imperial Gp.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	96p
Imperial Gp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Imperial Gp.	110	1	[illegible]	4	20	—	—	"
Total			57		39		5	

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (39)

BRITISH FUNDS (1)
Treas. 11¾pc '01-04
COMMONWEALTH & AFRICAN (2)
N.Z. 6pc 1976-80 S. Rhod. 2½pc '65-70
BEERS (1)
Gough Bros.
BUILDINGS (3)
F.P.A. Construction Royco
Rowlinson
STORES (2)
Lee Cooper Ratners
ELECTRICALS (1)
Utd. Scientific
ENGINEERING (4)
Green's Economiser Mitchell Somers
Hall (Matthew) Rotork
INDUSTRIALS (8)
Cape Industries Fedex Agric.
Central Mfg. Holt Lloyd Intl.
Crosby House
PROPERTY (1)
Greycoat Ests.
SHIPPING (1)
Lond. & O'seas Frtrs.
TRUSTS (2)
Viking Resources London Merchant
OILS (6)
Burmah Oil Gas & Oil Acreage
CCP North Sea LASMO 14pc '81-83
Century Viking Oil

NEW LOWS (163)

FOREIGN BONDS (1)
AMERICANS (88)
CANADIANS (10)
BANKS (10)
BEERS (1)
BUILDINGS (3)
CHEMICALS (3)
DRAPERY & STORES (1)
ELECTRICALS (3)
ENGINEERING (6)
FOODS (3)
HOTELS (1)
INDUSTRIALS (16)
INSURANCE (5)
MOTORS (6)
PAPER & PRINTING (2)
PROPERTY (1)
TEXTILES (2)
TRUSTS (1)
OILS (1)
MINES (11)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

APPOINTMENTS

Main board post at Tarmac

Mr. David Winch has been appointed to the main board of TARMAC. He is the chief executive of the building products division of the group. He joined the company in 1968 following the merger with Derbyshire Stone and has been responsible for several companies which now comprise the building products division.

★

HALLS HOMES AND GARDENS has made the following appointments: Mr. Vincent Jenkins is appointed deputy managing director on July 16 and will assume responsibility for all sales and marketing functions. Mr. David Roberts is appointed export sales director. Mr. Peter Linsell is appointed financial director of Halls, and financial controller and secretary of its holding company Pentos Garden and Leisure Products Group from September 1.

★

Mr. R. S. Martin, general manager of JAMES LATHAM (MIDLAND), has been elected to the board and appointed managing director.

★

Mr. J. D. Chesterfield has been appointed commercial director of ALEX. LAWRIE FACTORS, a member of the Lloyds and Scottish Group. Mr. A. W. Huges and Mr. J. Knox have become regional commercial controllers based in Coventry and Edinburgh, respectively.

★

General Sir Frank King has been appointed to the Board of CONTROL RISKS, a member of the Hogg Robinson Group.

★

Mr. Joseph Clark has been appointed an associate director of NORDIC BANK, with responsibility for personnel management, and Mr. Kenneth Atkinson has become a senior manager in the credit department. From July 9, Mr. Gerhard Tarantik will be an associate director in charge of foreign exchange and treasury. He joins Nordic from Credit Industriel et Comercial, London.

★

Mr. Dennis Etheredge, an executive director of the Anglo American Corporation, has been elected president of the CHAMBER OF MINES, Johannesburg.

★

Mr. Donald Fraser has been appointed director of personnel of INTERNATIONAL COMPUTERS. He joins the company from NCR.

★

CHARLTON SEAL DIMMOCK AND CO., stockbrokers of Manchester, opens a branch office in London today at 2-6, Austin Friars, EC2. Mr. Ian Werry will be joining the firm as dealing partner and Mr. K. A. Newmarch will become an associate member and senior dealer. The branch office at St. Albans has now closed and the resident partner there, Mr. S. B. Nicholson, will be leaving the partnership and joining W. L. B. Hale and Co., stockbrokers, as an associate member. Mr. D. P. Leese is retiring as a partner of Charlton Seal Dimmock but will remain a consultant.

★

Mr. K. J. Slater has retired as a director of BUNGE AND CO. and Mr. E. A. Elwig and Mr. P. J. Frain become directors.

★

Mr. Alan F. Llewellin has been appointed managing director of DRG TAPES AND ADHESIVES (a division of the Dickinson Robinson Group). He joined the group 34 years ago and has been operations director of that division for the past two years.

★

Mr. Neville Rhodes, a director and general manager of RAWLINGS AND WALSH (a division of Westminster Press) has been appointed a director and general manager of the Northern Press. He succeeds Mr. Tony Roore from September 1.

★

Mr. J. F. H. Maw has been appointed to the main board of LEYLAND PAINT AND WALLPAPER in addition to his responsibilities as managing director of the subsidiary, Paragon Wallpapers.

★

Mr. John Newman and Mr. Stephen Poynter have been appointed to the board of DRAYTON MONTAGU PORTFOLIO MANAGEMENT.

★

Mr. Jeff Richards has been appointed group managing director of the LILLESHALL CO.

★

Dr. Russell Bromely has been appointed UK sales director for GYLLING ELEKTRONIK PRODUKTER AB, Oskarshamn, Sweden.

★

Mr. Jean-Claude Zanolli has been appointed as manager of MEMOREX in France.

★

At the annual meeting of the LIGHT METAL FOUNDERS' ASSOCIATION, Mr. C. J. Butler was elected chairman in succession to Mr. Colin Staniforth.

★

Mr. John Hodge, commercial director of Fashionflow, has been appointed managing director of FASHIONFLOW (NATIONAL CARRIERS). Mr. Derek Cudworth, general manager of that company succeeds him as commercial director of Fashionflow.

★

Mr. Axel Beselin has been appointed head of marketing of KATRINEFORS—the building products division of Swedish Match—from September 1. As managing director of Weyroc and Bech, Neale and Company he will be directing and developing the division's particle board operations in the UK for the next two years.

★

JOHN F. RENSHAW AND CO. has appointed Mr. D. H. D. Murray to the main Board as financial director and Mr. J. E. R. Beadle, Mr. F. O. Firth, Mr. R. Gardiner and Mr. H. F. B. Weeks have been made associate directors.

★

Mr. Jimson Parsons has been appointed a non-executive director of SPIRAX-SARCO ENGINEERING. He recently retired as a main Board director from Guest Keen and Nettlefolds.

★

Mr. M. R. Hoare has joined the partnership of W. N. MIDDLETON AND COMPANY, stockbrokers.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Oils	+37.31	Wines and Spirits	+ 9.28
Property	+32.41	Engineering Contractors	+ 7.89
Food Retailing	+31.12	Capital Goods Group	+ 6.77
Merchant Banks	+28.98	Other Groups	+ 5.52
Discount Houses	+27.71	Hire Purchase	+ 5.18
Stores	+26.87	Food Manufacturers	+ 4.51
Banks	+22.89	Insurance (Composite)	+ 4.08
Electronics, Radio and TV	+20.55	Metal and Metal Forming	+ 4.00
Entertainment and Catering	+20.14	Chemicals	+ 3.22
Overseas Traders	+19.78	Investment Trusts	+ 2.93
Breweries	+19.09	Tobaccos	+ 2.78
Mining Finance	+19.00	Contracting and Construction	+ 2.49
Newspapers and Publishing	+17.77	Mechanical Engineering	+ 1.28
Insurance (Life)	+16.89	Packaging and Paper	− 0.57
Financial Group	+16.07	Motors and Distributors	− 1.48
Consumer Goods (Non-durable)	+14.49	Household Goods	− 4.43
500 Share Index	+14.33	Office Equipment	− 5.91
All-share Index	+14.14	Pharmaceutical Products	− 8.24
Gold Mines FT	+12.78	Textiles	− 8.87
Building Materials	+12.69	Insurance Brokers	−15.48
Shipping	+12.02	Toys and Games	−22.18
Consumer Goods (Durable)	+11.46		
Electricals	+10.84		
Industrial Group	+10.11		

† Percentage changes based on Tuesday, July 3, 1979 indices.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 26	July 9	Sep. 20	Oct. 2
July 10	July 23	Oct. 4	Oct. 16
Juyl 24	Aug. 6	Oct. 18	Oct. 30

For rate indications see end of Share Information Service

A quiet day in the Option market saw calls done in Grand Met., Spillers, Southern Construction, Premier Oil, Ladbroke, Charterhall, Bambers, EMI and Inveresk. A put was done in Ladbroke Warrants, while a double was arranged in Dunlop.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
GEC	25p	13	358	−10	456	311
ICI	£1	13	337	− 8	415	337
Shell Transport 'New'	25p	12	356	−22	398	356
Lloyds Bank	£1	10	342	+ 2	360	272
Barclays Bank	£1	9	475	+12	514	360
NatWest Bank	£1	9	368	+ 3	406	278
Premier Cons.	5p	8	39½	− 1½	42	14
BP	£1	7	1,236	−24	1,295	882
Charter Cons.	25p	7	140	− 6	176	130
GKN	£1	7	265	+ 3	308	226
Midland Bank	£1	7	386	− 3	455	348
Stand. Tel. & Cables 'New'	25p	7	180	− 4	186	178
Tesco Stores	5p	7	74	+ 1½	82	51¼
Commercial Un.	25p	6	146	− 2	155	139
Imp. Cont. Gas	£1	6	517	+12	517	358

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
60	F.P.	[illegible]	[illegible]	[illegible]	A & Q Retail Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	F.P.	[illegible]	[illegible]	[illegible]	Delight 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	F.P.	[illegible]	[illegible]	[illegible]	Folrum Inv. Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. Capital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metroy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Phicom 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	Standard Tel. & Cables 'New'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
‡‡	Nil	[illegible]	[illegible]	[illegible]	English & Overseas Inv. Conv.	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Kwik-Fit (Tyres) 9% Cnv. Ln. 1979/85	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Marshall's Univ. 11% Cnv.	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Portsmouth Water 8% Red. Prf. 1984	[illegible]	[illegible]
98	F.P.	[illegible]	[illegible]	[illegible]	York Water 12% Deb 1986	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −
36	Nil	[illegible]	[illegible]	[illegible]	Causton Sir J.	[illegible]	[illegible]
65	Nil	[illegible]	[illegible]	[illegible]	Century Oils	[illegible]	[illegible]
52½	Nil	[illegible]	[illegible]	[illegible]	Combined English Stores	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	Edwards (Louis C.)	[illegible]	[illegible]
195	Nil	[illegible]	[illegible]	[illegible]	Elliott (B.)	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
196	[illegible]	[illegible]	[illegible]	[illegible]	Grand Metropolitan	[illegible]	[illegible]
155	[illegible]	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl.	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
154	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	[illegible]	[illegible]	[illegible]	[illegible]	McCorquodale	[illegible]	[illegible]
85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] Holdings	[illegible]	[illegible]
210	[illegible]	[illegible]	[illegible]	[illegible]	Peterson Tennant	[illegible]	[illegible]
20	[illegible]	[illegible]	[illegible]	[illegible]	Provincial Laundries	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Scotcros	[illegible]	[illegible]
265	[illegible]	[illegible]	[illegible]	[illegible]	Simon Engineering	[illegible]	[illegible]
150	[illegible]	[illegible]	[illegible]	[illegible]	Smurfit (Jefferson)	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Sound Diffusion	[illegible]	[illegible]
456	[illegible]	[illegible]	[illegible]	[illegible]	Standard Chartered Bank	[illegible]	[illegible]
138	[illegible]	[illegible]	[illegible]	[illegible]	Tilling (Thomas)	[illegible]	[illegible]
57	[illegible]	[illegible]	[illegible]	[illegible]	UBM	[illegible]	[illegible]
93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	[illegible]	[illegible]	[illegible]	[illegible]	Weeks Associates	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible] Figures based on prospectus estimate. [illegible] Assumed dividend and yield. ... Forecast dividend; cover based on previous year's earnings. ... Dividend and yield based on prospectus or other official estimates for 1979. ... Gross. ... Figures assumed. ... Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. || || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Wed., July 4, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. July 3 Index No.	Mon. July 2 Index No.	Fri. June 29 Index No.	Thurs. June 28 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	244.66	−0.7	17.34	5.52	7.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	222.80	−0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	365.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	583.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	384.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (75)	182.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	166.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	CONSUMER GOODS (DURABLE) (52)	230.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	315.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	160.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (24)	116.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (171)	235.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	277.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	304.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	318.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	204.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	298.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	425.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	128.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (41)	241.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (25)	175.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	257.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	72.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	202.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	282.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	218.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	119.54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	452.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (58)	234.87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	236.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	567.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	271.31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (116)	194.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	220.23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	264.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	169.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	154.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	142.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	257.38	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	99.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	357.98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	121.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (50)	239.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	119.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (19)	283.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	249.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed., July 4	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.37	−0.23	—	4.77
2	5-15 years	118.21	+0.21	—	5.51
3	Over 15 years	125.14	+0.38	—	7.50
4	Irredeemables	137.40	+1.13	—	7.90
5	All stocks	115.53	+0.14	—	5.95

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Wed. July 4	Tues. July 3	Year ago (approx.)
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Wed., July 4 Index No.	Yield %	Tues. July 3	Mon. July 2	Fri. June 29	Thurs. June 28	Wed. June 27	Tues. June 26	Mon. June 25	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster July 2	39.2	41.2	.....	6.13
Exempt June 29	104.4	108.4	.....	6.18

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	56.2	59.1	.....	3.58

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	69.0	73.5	.....	4.52

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	141.0	149.5	-0.5	4.66

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	120.1	125.2	.....	3.81
Quadrant Income	141.6	146.0	.....	8.23

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Schlesinger Trust Mngrs. Ltd. (a) (c) (g)
140, South Street, Dorking (0306) 86441

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	23.4	24.8	+0.2	8.76

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT July 2	54.3	57.8	.....	4.87

Transatlantic and Gen. Secs.♥ (C) (Y)
91-99, New London Rd., Chelmsford. 0245-51651

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$7.79		-0.05	—

Net asset value July 2.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.13	12.14	.....	12.23

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	119.0	123.0	.....	8.13

Next dealing July 9

Gov't Secs. Tst.	93.5	97.0	.....	12.89

Next dealing July 9.

East &Intl.Tst.(CI)	100	107	.....	3.50

Next dealing date July 12.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares	$US1.48		.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	112.83	113.41	.....	8.16

Prices at June 28. Next sub. day July 4.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	$US58.48	60.28	-0.24	8.07

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	84.2	89.2xd	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	47.3	49.8	.....	12.75
Unidollar Trust	US$11.56	12.15	.....	1.66
Unibond Trust	US$98.28	99.22	.....	9.00

1, Thomas St., Douglas, Isle o.Man. 0624 4856

Unicorn Aust. Ext.	40.9	44.0	.....	2.08
Do. Aust. Min.	30.4	32.7	.....	1.80
Do. Grtr. Pacific	65.7	70.7	-2.0	—
Do. Intl. Income	35.6	38.3	-1.0	9.10
Do. Isle of Man Tst.	47.2	50.8	.....	8.90
Do. Manx Mutual	25.8	27.8	-0.3	1.80

Bishopsgate Commodity Ser. Ltd.

Kemp-Gee Management. Jersey Ltd.
1 Charing Cross, St. Helier, Jersey. 0534 73741

Capital Fund	116.3	119.9	+2.9	—
Income Fund	64.4	66.5	-0.2	9.39
Gilt Bond	£1.015	1.069	.....	—

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,305	1,434	.....	2.40
Bondselex	117.00	122.80	-0.10	2.40
Cent. Assets	£147.32	147.38	+0.05	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.50	9.56xd	.....	11.75
Gilt Trust (I.o.M.)	107.7	110.5	.....	11.75
Gilt Fnd. Guernsey	10.01	10.04	+0.51	11.75

Intl. Govt. Secs. Tst.

First Sterling	£21.04	21.17	.....	—
First Intl.	$US233.19	234.09	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest	LF1111		.....	4.32
Guernsey Inc.	67.0	71.0	.....	4.61
Do. Accum.	85.2	90.2	.....	4.61
KB Far East Fd.	US$13.16xd		.....	2.28
KB Gilt Fund	£10.76	10.82	.....	11.46
KB Intl. Fund	US$12.46		.....	2.25
KB Japan Fund	US$32.37		.....	0.92
K.B. U.S. Gwth. Fd.	$US13.18xd		.....	1.59
Signet Bermuda	US$5.31xd		.....	1.88
K.B. Int. Bd. Fd.	$101.23xd		.....	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	52.1	54.8	.....	2.75

Next dealing July 16.

Lloyds Trust Gilt	£10.22	10.23	+0.13	12.00

Next dealing July 11.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF333.50	357.0	+1.5	1.20
Lloyds Int. Income	SF292.0	303.0	.....	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic July 3	US$3.56	3.89	.....	—
Aus.Ex. July 4	US$2.80	3.15	+0.18	—
Gold Ex.Acc.	US$18.34	19.96	-0.92	—

NOTES

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1979 High	1979 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
98¼	94⅝	Treasury 3pc '79‡‡	97⅞	+⅟₃₂	3.07	13.60
98½	95⅜	Electric 4½pc '74-79	97⅞	+⅟₃₂	4.34	13.67
100¼	54⅝	Treasury 10½pc '79‡‡	98⅛	–⅟₁₆	10.61	13.52
97½	94½	Electric 3½pc '76-79	96¾	..	3.62	12.73
99⅜	95⅞	Treasury 9pc 1980‡‡	97⅟₁₆	+⅟₁₆	9.21	12.58
99⅜	95⅟₁₆	Treasury 9½pc '80‡‡	97⅟₁₆	+⅟₁₆	9.74	12.46
97	92¾	Treasury 3½pc '77-80	95¼	......	3.65	8.23
97⅜	92⅞	Funding 5¼pc '78-80‡‡	96⅜	......	5.45	9.30
103⅝	99⅟₁₆	Exchequer 13pc 1980‡‡	100⅞	–⅜	12.89	12.20
102⅛	96⅟₁₆	Treasury 11½pc 1981‡‡	99⅟₁₆xd	–⅟₁₆	11.54	11.66
93½	88⅞	Treasury 3½pc 1979-81	92⅛	......	3.80	8.82
99⅟₁₆	92⅟₁₆	Treasury 9¾pc 1981‡‡	97	–⅜	10.05	11.64
96¾	89½	Exch. 8¼pc 1981	94⅞	–⅟₁₆	8.70	11.24
98⅟₁₆	91¼	Exch. 9½pc 1981	96½xd	–⅟₁₆	9.88	11.67
91¼	84¼	Exch. 3pc 1981	88½	......	3.39	9.06
98⅟₁₆	96	Treas. Variable '81§§	97⅝	–⅟₁₆	14.16	15.01
104⅟₁₆	97⅟₁₆	Exch. 12¾pc 1981‡‡	101¾	–½	12.53	11.83
96⅞	88	Treas. 8½pc '80-82‡‡	93¾xd	–⅜	9.07	11.40
89½	82	Treasury 3pc '82‡‡	85¾	–⅛	3.50	9.25
108⅜	100⅞	Treasury 14pc '82‡‡	104⅜	–½	13.41	11.99
97¼	94⅜	Treas. Variable '82§§	96⅜	–⅟₁₆	14.35	15.39
95¼	85⅜	Treasury 8¼pc '82	92¼xd	–⅜	8.94	11.36
97¼	86½	Exch. 9¼pc 1982	93	–⅜	9.95	11.88
95⅞	84⅝	Exch. 8¾pc 1983	92½xd	–⅜	9.46	11.40
86⅛	77¾	Exch 3pc '83	81½	......	3.68	9.09
104⅜	93⅛	Treasury 12pc 1983‡‡	99⅞	–⅜	12.02	12.01
104	93⅛	Treas. 12pc '83 A‡‡	99½	–⅜	12.06	12.13
95	93½	Treas. Variable '83§§	94¼	–⅟₁₆	14.67	15.83
97¼	84½	Treasury 9¼pc '83	92¼xd	–½	10.03	11.71
98⅟₁₆	85½	Exch. 10pc 1983	93⅛	–½	10.74	12.04
89½	78⅝	Funding 5½pc '82-84‡‡	85xd	......	6.47	9.66

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

1979 High	1979 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
98	92¼	N.Z. 6pc '76-80	98	+⅛	6.26	12.58
84¼	74½	Do. 7½pc '83-86	79	+1	9.53	12.10
94½	84¼	Sth. Africa 9½pc '79-81	91½	+½	10.57	14.72
89	43	Sth. Rhod. 2½pc '65-70	89	+6	—	—
121	81	Do. 6pc '78-81	120	+3	—	—

LOANS

Public Board and Ind.

1979 High	1979 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
66	56	Agric. Mt. 5pc '59-89	64xd	......	7.79	11.00
92	75	Alcan 10½pc '89-94	84½xd	......	12.42	12.90
30½	24½	Met. Wtr. 3pc 'B'	29	......	10.68	12.56
129	117	U.S.M.C. 9pc 1982	121xd	......	7.43	—
95	87	Do. without Warrants	90½xd	+1	9.94	12.80

Financial

1979 High	1979 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
103¾	98¼	FFI 13pc 1981	101¼	......	12.84	12.07
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	104¾	+¼	13.37	12.53
86½	77½	ICFC 5½pc Deb. '80-82	85	+½	6.61	12.00
85	71½	Do. 6¼pcDb. '81-84	79	......	8.02	12.00
99	84½	Do. 10½pc Uns.Ln. '86	91½xd	+½	11.47	12.40
99	84½	Do. 11pc Uns.Ln. '88	92½xd	+1½	11.89	12.30
101½	84	Do. 11¾pc Uns.Ln. '90	94xd	......	12.50	12.80
72½	57	Do. 7¼pcADeb. '89-92	65½xd	+½	11.06	12.70
69	53½	Do. 7¼pcA Db. '91-94	65½	......	11.48	12.80
81½	64½	Do. 9pc 'A' '91-94	78	+1½	11.98	12.70
78½	62½	Do. 8⅞pc Ln. '92-97	76½	+1	12.22	12.70
101	95½	Do. 12½pc. Uns. Ln. 1992	99½	......	12.95	13.10

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

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[illegible]

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[illegible]

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
171	102	Bougainville 50 Toea	102	−3	Q15c	1.0	9.1
140	84	BH South 50c	84	−2	—	—	—
860	340	Central Pacific	800	−40			—
318	182	Conzinc Riotinto 50c.	182	......	¶Q10c	2.0	3.2
36	16	Cultus Pacific N.L.	20	−2	—	—	—
21½	11	Endeavour 20c	12	−½	—	—	—
98	62	G.M. Kalgoorlie $1	75	−2	Z03c	—	2.3
42	23	Haoma Gold N.L.	24	......	—	—	—
174	148	Hamptn Areas 5p.	172	......	♦t3.55	2.0	3.0
71½	25	Metals Ex. 50c	41	......	—	—	—
275	168	M.I.M. Hldgs. 50c	168	−2	†Q9c	1.7	3.1
15	15	Minefields Expl.	15	......		—	—
74	38	Mount Lyell 25c	40	......	—	—	—
44	15	Newmetal 20c	16	......	—	—	—
141	91	North B. Hill 50c	91	......	†Q8c	1.3	5.0
22	11	Nth. Kalgurli	14½	......	—	—	—
40	22	Nth. West Mining	23	......		—	—
137	84	Oakbridge SA1	84	−1	Q12c	1.9	8.3
37	22	Otter N. L.	37	+3		—	—
120	58	Pacific Copper	64	......	—	—	—
£10¾	625	Pancont'l 25c	737	−13	—	—	—
25¾	15½	Paringa M&Ex 5p	28½	......	—	—	—
510	268	Peko-Wallsend 50c.	296	+4	Q15c	3.3	2.9
340	145	Southern Pacific	320	−15		—	—
188	121	Westn. Mining 50c	121	......	†Q3c	0.7	1.4
11	9	Westmex	10	......		—	—
65	50	Whim Creek 20c	50	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	26	......	2.81	2.3	15.4
435	265	Ayer Hitam $M1	280	+15	Q300c	0.5	23.0
72	51	Beralt Tin	52	......	4.0	3.3	11.0
270	175	Berjuntai $M1	175	......	†Q110c	1.0	15.4
160	125	Geevor	127	......	8.71	3.1	9.8
10½	8	Gold & Base 12½p	9½	......	—	—	—
365	295	Gopeng Cons.	335	......	†18.0	1.4	7.7
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	87	......	8.0	♦	13.7
14	9¼	Jantar 12½p	10	......	♦	—	—
95	58	Kamunting $M0.50	60	+2	†Q12.5c	2.1	4.5
620	210	Killinghall $M1	350	......	—	—	—
465	365	Malay Dredging $M1	380	+5	†175c	0.7	1.7
57	28	ΔPahang	28	−2	—	—	—
123	60	Pengkalen 10p	103	......	4.5	1.2	6.5
275	205	Petaling $M1	210	......	†Q120c	1.3	12.3
85	65	Saint Piran	65	−2	†2.03	6.5	4.5
58	46	South Crofty 10p	47	+1	†4.19	2.0	12.7
230	170	South Kinta $M0.50	170	......	†Q145c	0.6	18.3
405	285	Sthn Malayan $M1	345	......	†Q190c	1.0	11.8
310	210	Sungei Besi $M1	250	+5	mQ65c	5.3	5.6
75	48	Supreme Corp. $M1	48	......	Z010c	—	4.5
105	94	Tanjong 15p	95xd	......	7.5	♦	11.3
115	90	Tongkah H. Tin	90	......	†Q24c	0.7	6.0
280	190	Tronoh $M1	190	......	Q25c	5.2	3.0

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	67	−3	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	68	......	—	—	—
13½	10	Burma Mines 17½p	12	......	—	—	—
345	170	Cons. Murch. 10c.	265xd	−5	Z030c	—	6.8
410	325	Northgate C$1	340	−20	—	—	—
362	226	R.T.Z.	274	−2	11.5	2.7	6.0
31	18	Robert Mines	25	+2	—	—	—
65	35	Sabina Inds. C$1	35	−2	—	—	—
880	587	Tara Expln. $1	587	−13	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$17½	$10½	Buffels R1	$15	+⅜	Q200c	♦	15.9
$15½	890c	East Drie R1	$13½xd	+⅛	†Q115c	1.6	10.1
950c	350c	East Rand Prp. R1	900cxd	......	†Q10c	—	1.3
$27½	$18¾	F.S. Geduld 50c	$27⅛	+⅛	†Q315c	2.4	13.8
$19⅝	$11⅛	Pres. Brand 50c	$18½	+⅜	†Q150c	3.2	9.6
$18¾	$10¾	St. Helena R1	$17⅛	+⅛	†Q190c	1.4	13.2
760c	407c	Stilfontein 50c	650c	+10	†Q66c	♦	12.7
$34⅜	$18¾	Vaal Reefs 50c	$32¾	+½	Q280c	2.7	9.9
$50¼	$28¾	West Drie R1	$45xd	+¼	Q615c	1.7	18.2
$35⅜	$22¼	West Hldgs. 50c	$33	+¼	†Q415c	1.4	14.9
$16¾	$10⅞	Western Deep R2	£15⅝	+¼	Q147½c	2.1	11.1

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ♣ Regional price.
- ß No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	26	......	Sindall (Wm.)	148	......
Bertam	25	......	**IRISH**		
Bdg'wtr. Est. 50p	400	......	Conv. 9% '80/82	£87⅛	......
Clover Croft	28	......	Nat. 9½% 84/89	£71⅝	−3
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£84½	−4
Dyson (R. A.) A	26	−2	Alliance Gas	62	......
Ellis & McHdy	68	......	Arnott	370	......
Fife Forge	54	......	Carroll (P.J.)	111	−2
Finlay Pkg. 5p	20	......	Clondalkin	80	......
Graig Ship. £1	310	......	Concrete Prods.	100	......
Higsons Brew	78	......	Helton (Hldgs.)	80	......
Holt (Jos) 25p	260	......	Ins. Corp.	217	......
I.O.M. Stm. £1	160	......	Irish Ropes	87¼	......
Pearce (C. H.)	240	......	Jacob	45	......
Peel Mills	30	......	T.M.G.	190	......
Sheff. Refrshmt	90	......	Unidare	83	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	9	I.C.I.	24	Tube Invest.	30
BOC Intl.	6	"Imps"	8	Unilever	55
B.S.R.	7	I.C.L.	55	U.D.T.	5
Babcock	18	Inveresk	7	Utd. Drapery	10
Barclays Bank	32	KCA	5	Vickers	18
Beecham	52	Ladbroke	22	Woolworths	7½
Blue Circle	18	Legal & Gen.	14		
Boots	18	Lex Service	11	**Property**	
Bowaters	18	Lloyds Bank	25	Brit. Land	7½
B.A.T.	28	"Lofs"	5	Cap. Counties	9
Brown (J.)	50	London Brick	7	Land Secs.	25
Burton 'A'	26	Lonrho	8	MEPC	17
Cadburys	7	Lucas Inds.	25	Peachey	13
Courtaulds	10	"Mams"	18	Samuel Props.	14
Debenhams	8	Mrks. & Spncr	11	Town & City	2¼
Distillers	21	Midland Bank	30		
Dunlop	6½	N.E.I.	14	**Oils**	
Eagle Star	14	Nat. West. Bank.	28	Brit. Petroleum	100
E.M.I.	12	Do. Warrants	15	Burmah Oil	13
Gen. Accident	21	P & O Dfd.	10	Charterhall	5
Gen. Electric	35	Plessey	10	Premier	5
Glaxo	50	R.H.M.	5	Shell	25
Grand Met.	14	Rank Org.	25	Ultramar	25
G.U.S. 'A'	30	Reed Intnl.	18		
Guardian	24	Sears	5½	**Mines**	
G.K.N.	28	Spillers	4½	Charter Cons.	16
Hawker Sidd	26	Tesco	7	Cons. Gold	20
House of Fraser	18	Thorn	35	Rio T. Zinc	27
		Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

THE £1,000 MILLION INVESTMENT EXPERIENCE
Canlife units
EXPERIENCE—WHERE EXPERIENCE COUNTS

FINANCIAL TIMES

Thursday July 5 1979

SKIPTON BUILDING SOCIETY

Labour Left heads for clash

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR'S NATIONAL Executive set the scene yesterday for another showdown between Right and Left at the Party's annual conference this autumn.

It waived the rule that prohibits discussion of the same subject more than once every three years, to allow the question of automatic reselection of sitting MPs *and the election of* the party leader to be debated again this year.

Mr. James Callaghan opposed the decision, as did other moderates on the executive who believe that, if carried, both proposals would have a disasterous effect on the party.

In a further attempt to curb Mr. Callaghan's power of *patronage* the executive *also* approved a motion from Mr. Anthony Wedgwood Benn observing that the party conferance had voted to abolish the House of Lords and requesting him to create no new peers.

Taken with Mr. Benn's other proposals for making the party leadership more accountable to the rank and file, the two other proposals discussed yesterday contain *a far more serious* threat to Mr. Callaghan's authority.

The expectation is that the votes of the unions will again ensure that the conference firmly rejects the idea of the election of the party leader being taken out of the hands of the Parliamentary party.

Were that to happen, it might *provide Mr. Benn with his only* hope of becoming leader.

Moderates are also fairly optimistic that the conference will reject the idea that sitting MPs should automatically undergo a full selection process each year.

Last year's vote on the issue, however, was surrounded with such confusion that nobody can be certain of the outcome this year. Both sides of the party *will now begin intensive lobbying* to win the big union block votes to their side.

Last year the Left's proposals on automatic reselection of MPs was lost only because Mr. Hugh Scanlon, of the Amalgamated Union of Engineering Workers, failed at the last moment to support it with his union's massive block vote.

Supporters of the motion *felt* that they had been cheated. Since then, Left-wingers have been putting pressure on the executive to lift the three-year rule.

Yesterday, however, Mr. *Jerry Russell, the AUEW* representative on the executive, implied that his union had not changed its position

No such confusion attended last year's vote on the Left's proposals for extending the electoral college to include section of the party other than MPs. It was decisively rejected.

The argument for waiving the three-year rule on that *is that*, whereas a year ago nobody expected an imminent leadership contest, many now do, and conference ought therefore to be *given the opportunity* to reconsider the matter.

Discussing the proposals yesterday, Mr. Callaghan again said that those expecting an early leadership contest might be disappointed, but his main argument against the proposal was that it was a bad precedent to break the three-year rule.

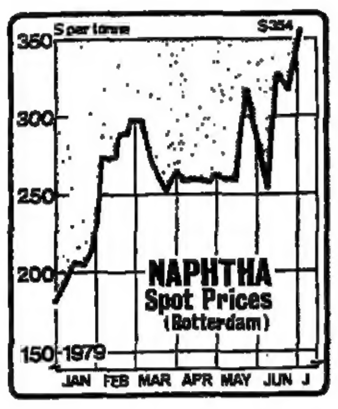
The executive, again lobbied by striking staff at Transport *House, decided that there* was a case for reopening the subject.

In the event, however, the moderates might manage to kill *off the debate before it even* begins. Although both subjects will appear on the agenda, a delegate might always try to get the support of conference at the last moment for not discussing it.

Spot price of naphtha again rises sharply

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE PRICE of naphtha—a vital raw material for the petrochemical industry — has increased sharply again on the spot market by nearly \$30 a tonne—about 9 per cent. The price rises over the last few days follow the increase in world oil prices and the decision of the U.S.-based Exxon group to cut off naphtha supplies to Japan.



Exxon has told five Japanese companies, including Mitsubishi, that it will be ending their naphtha contracts by March, 1980, at the latest. The five companies buy 14,000 barrels a day of naphtha from Esso Eastern Products, an Exxon subsidiary. The 14,000 barrels account for about 10 per cent of Japan's total naphtha imports.

The Exxon move can be expected to encourage further buying of naphtha on the spot market by the Japanese. Last week the spot price of naphtha—which is made from oil—stood at between \$320 and \$325 a tonne. The price began to go up in the wake of the higher oil prices announced by the Organisation of Petroleum Exporting Countries after its meeting in Geneva last week.

Yesterday naphtha spot prices reached \$354 a tonne. Supplies of naphtha have been affected particularly by the oil crisis. It is used to make petrol as well as petrochemicals, and petrol supplies have been under severe strain in recent months, notably in the U.S.

With petrol producers and petrochemical companies competing for available naphtha, the spot and contract prices have risen sharply

Naphtha is produced from the lighter end of the oil barrel. A number of European oil refineries are being modified so that they can produce a higher proportion of light oil products but the work has not yet been completed.

Times may resume publication 'in a matter of weeks'

BY ALAN PIKE, LABOUR CORRESPONDENT

ANOTHER OBSTACLE to republication of Times Newspapers was removed yesterday when the company agreed in principle to the reappearance of its titles with some industrial relations issues outstanding.

Since the suspension of publication seven months ago, Times Newspapers has insisted that before republication it must obtain agreement with all union chapels on disputes procedures, new manning levels and other improvements.

Computers

However, at a meeting with unions yesterday the management accepted that, provided talks made sufficient progress on manning levels and pay to ensure the future commercial viability of the company, some issues would be left until later.

That holds out the possibility of the newspapers' reappearing before some chapels have signed new agreements with the company.

The biggest single obstacle to republication of *The Times, The* Sunday Times and the three Times supplements was removed last week when the company lifted its demand for agreement *on the introduction of new* computer-based typesetting before it lifted the suspension. Efforts to overcome that will be made over the next year.

Sir Denis Hamilton, chairman and editor-in-chief of Times Newspapers, Mr. Duke Hussey, chief executive, and other management representatives met office union representatives and outlined the conditions under which the company would be ready to resume publication.

They include agrement on disputes procedure, flexibility of paging, equalisation of working hours and the introduction of replacement equipment.

Later, Mr. Hussey and his colleagues met general secretaries of the print unions. They will meet office union representatives again on Tuesday.

Unacceptable

Mr. Barry Fitzpatrick, chairman of the Times Newspapers joint union negotiating committee, predicted later that republication was likely to be a matter of weeks rather than months.

The management, he said, had previously sought to impose unacceptable conditions and changes on the workforce. "Our demandsare to get back to a traditional relationship and this they now appear to have sympathy with."

● Journalists on the Daily Mail and Evening News, London, began a 24-hour mandatory meeting over a National Union of Journalists pay claim yesterday. The chapel is seeking 25 per cent increases and say that it has been offered 13 per cent.

Schmidt outlines energy plan

BY ROGER BOYES IN BONN

CHANCELLOR Helmut Schmidt of West Germany yesterday outlined a wide-ranging energy programme for the 1980s which will focus on increased coal production an dthe careful use of nuclear power.

In his first major energy statement since the Tokyo summit, Herr Schmidt stressed that he was looking to the consumer to exrcise self-restraint in fuel consumption. He said the Government was reluctant to impose strict controls at this stage, *including the controversial imposition of speed limits* on motorways.

Herr Schmidt was careful yesterday to underline that both coal and nuclear energy would be crucial for the German economy during the 1980s, and re-emphasised his belief in the Government's beleaguered nuclear strategy.

Herr Franz Josef Strauss, the leader of the Christian Social Union and newly elected opposition rival to Herr Schmidt in next year's elections, accused the chancellor of fudging the issue of nuclear power and papering over the cracks in his party.

Although Herr Schmidt's emphasis on coal does not signify an actual policy shift, it is in marked contrast to his warnings in recent months about the dangers of the fuel.

These statements—echoed to *some extent yesterday in a* warning about the possible effect of excessive coal production on the atmosphere—seemed to be aimed at countering the anti-nuclear lobby within his own Social Democrat Party rather than seriously discouraging the use of coal. The anti-nuclear supporters claim that coal production renders nuclear power unnecessary.

The Chancellor's immediate proposals centre on seven main points:

● The government is to hold talks with the Federal states on accelerating the construction of coal-fired power stations.

● Bonn is to stop using oil as a fuel for power stations.

● The Federal Government will *keep the heating in its buildings* down to 60 degrees Fahrenheit.

● Industrially produced electricity is to be plugged into the public grid.

● *Bonn is to discuss with the* Federal States whether their existing DM 4.35bn package of energy-saving measures could be expanded.

● *There is to be more Federal* and State investment in public transport to discourage the use of private cars.

● The Government is to consider scrapping certain motor vehicle taxes and replacing them with increased petrol levies.

Iraq lifts business embargo

BY REGINALD DALE IN BAGHDAD

IRAQ HAS agreed to lift its business embargo on the UK and review the life sentence imposed on Mr. Christopher "Ned" Sparkes, the goaled British *businessman, following* the visit to Baghdad by Lord Carrington, the Foreign Secretary.

Lord Carrington described the outcome of his talks with Iraqi leaders as the opening of "a new page" in relations between the two countries.

In return, Britain has agreed to give positive consideration to an Iraqi request for a new bilateral economic agreement to boost trade, on the same lines as the agreement the country already has with France.

Anglo-Iraqi relations deteriorated sharply last year following *the expulsion of 11 Iraqi diplomats* and officials from Britain after the murder of a former Iraqi Prime Minister in London. Iraq expelled eight British diplomats in retaliation.

More recently, Iraq has refused to accept tenders by British companies for contracts or orders over £35,000.

James Buxton writes: In London the lifting of the embargo was welcomed by businessmen. *Since it was* imposed last autumn British exports to Iraq began to slow down, and British companies found they were losing contracts *for which they had submitted* the lowest tenders, while several had had to wind down their operations in Iraq.

Britain exported £215m worth of goods to Iraq last year but exports had only reached £58.7m in the first four months of this year, suggesting an annual figure of about £175m. Britain is a big importer of Iraqi crude oil, buying £497m worth last year.

Continued from Page 1

£40m aid

special national importance. In this case it is being argued that about £100m will be spent by the company in the UK on buildings and plant, that there will be a *substantial benefit to* the balance of payments, and that jobs will be preserved in Barry, though no new ones are expected to be created.

Dow Corning, a subsidiary of Dow Chemicals and Corning Glass is based in Michigan. It has a plant in Barry employing 450 people which produces *silicones — used* extensively throughout manufacturing industry as a key ingredient in products such as lubricants, resins, emulsions, and washing powders.

Its planned £134m investment will treble production and is regarded in South Wales as essential if the company is to have a long-term future in Barry. Alternative locations for its expansion could be in Belgium or West Germany.

It first made its application for aid in January and would have been given the go-ahead but for the General Election.

Weather

UK TODAY

MAINLY DRY. Sunny periods.

London, E. Anglia, Cen. S. and Cen. N. England, Midlands
Sunny periods. Isolated showers. Max. 23C (73F).

Channel Isles, S.W. England, S. Wales
Sunny periods. Coastal fog patches. Max. 23C (73F).

N. Wales, Lakes, N.W. and *N.E. England, Isle of Man*, Borders
Mainly dry. Sunny periods. Max 18C (64F).

Argyll, N. Ireland
Sunny periods. *Cloudy later.* Max. 16C (61F).

Orkney, Shetlands
Mainly dry. Sunny periods. Max. 15C (59F).

Rest of Scotland
Dry. Sunny periods. Max. 18C (64F).

Outlook: Unchanged.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	Locarno	F	21	70
Algiers	S	25	77	London	C	21	70
Amsdm.	C	16	61	Los Ang.	F	22	72
Athens	S	29	84	Luxmbg.	C	18	64
Bahrain	Sa	40	104	Luxor	S	40	104
Barclna.	F	25	77	Madrid	S	26	79
Beirut	S	29	84	Majorca	C	26	79
Belfast	F	20	68	Malaga	C	24	75
Belgrd.	C	19	66	M'chstr	S	21	70
Berlin	C	16	61	Melbne.	C	11	52
Biarritz	S	21	70	Mex. C.	C	25	77
Bmghm.	F	21	70	Milan	F	21	70
Blackpl.	F	18	64	Mntreal.	S	22	72
Bordx.	S	23	73	Moscow	F	22	72
Boulgn.	C	17	63	Munich	C	12	54
Bristol	S	22	72	Nairobi	C	21	70
Brussels	C	17	63	Naples	S	26	79
Budpst.	C	15	59	Nwcstl.	S	22	72
B. Aires	R	13	55	N. York	F	31	88
Cairo	F	36	97	Nice	F	22	72
Cardiff	F	21	70	Nicosia	S	33	91
Cas'b'ca	C	21	70	Oslo	C	22	72
Cape T.	C	11	53	Paris	F	18	64
Chicago	C	28	82	Perth	C	10	50
Cologne	S	20	68	Prague	C	15	59
Conhgn.	S	21	70	Reykjvk.	C	7	45
Corfu	F	29	84	Rhodes	S	30	86
Dublin	C	19	66	Rio J'o	C	29	81
Dbrvnk.	S	25	77	Rome	S	27	81
Edinbgh.	F	22	72	Salzbrg.	R	12	54
Faro	S	25	77	S. 'cisco	F	16	61
Florence	S	20	68	Singapr.	R	28	82
Frankft.	F	21	70	Stckhm.	C	17	63
Funchal	C	23	73	Strasbg.	F	21	70
Geneva	S	17	63	Sydney	C	15	59
Gibrltr.	C	22	72	Tangier	R	23	73
Glasgow	S	20	68	Tehran	C	36	97
G'rnsey	S	20	68	Tel Aviv	C	30	86
Helsinki	C	13	55	Tenerife	F	18	64
H. Kong	F	33	91	Tokyo	C	23	73
Innsbrk	C	12	54	Toronto	S	23	73
Invrnss.	S	21	70	Tunis	S	28	82
I.o.Man	F	15	59	Valencia	C	25	77
Istanbul	S	28	82	Venice	C	19	66
Jersey	S	19	66	Vienna	C	18	64
Jo'burg	S	14	57	Warsaw	F	20	68
L. Plms.	S	25	77	Zurich	F	15	59
Lisbon	S	24	75				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny Sa—Sandstorm. Sl—Sleet. Sn—Snow.

Coal output too low, Ezra says

BY CHRISTIAN TYLER, LABOUR EDITOR

COAL OUTPUT and productivity this year has been disappointing, Sir Derek Ezra, chairman of the National Coal Board, told the annual conference of the National Union of Mineworkers in Jersey. He exhorted miners to produce more coal to safeguard the industry's future.

Productivity over the first half of the year has been around 2.5 per cent lower than the same period last year, Sir Derek said.

He attempted to allay the miners' suspicions that the board is to embark on a new round of pit closures, and called for the board's oil-from-coal programme to be speeded up.

Sir Derek told the conference that failure to produce the coal available would cause public support to diminish, customers to look elsewhere and the industry's financial position to be "immeasurably" weakened.

"It would be a serious setback for the industry if any gap had to be covered with coal from elsewhere," he said. The Central Electricity Generating Board is said to be discussing importing up *to 5m tonnes of* coal a year from Australia and Poland.

Sir Derek said after his speech that there was no list *of collieries* earmarked for closure. The board wanted to replace old capacity with new, but that did not mean that it would be "running all over the place" shutting pits.

But miners' leaders in the militant coalfields of Yorkshire and Scotland are preparing for a showdown with the board over its planned closure of Deep Duffryn colliery in South Wales which they see as a test case for all areas.

Asked about Deep Duffryn, Sir Derek said that it would be too costly to open up the trial face that the union has asked for. But he added that the Board was always willing to talk about the colliery.

Some union leaders were yesterday predicting that the Board would be forced to change its mind and sanction the trials *because of the intense opposition* building up to the closure.

Looking to the future, Sir Derek predicted that oil from coal could soon be a com*mercial proposition and argued* that the Board's state-aided programme should be accelerated.

Mr. John Moore, the junior Energy Minister in charge of the coal industry, has said that the coal liquifaction programme is proceeding as rapidly as possible.

Two demonstration plants are being designed which could each produce 13 tons of oil from 25 tonnes of coal. The Board has yet to decide where to site these plants.

John Lloyd writes: More than 750,000 tonnes of coal are being moved from pithead stocks in Yorkshire to the big coal-fired stations at Ferrybridge, Eggborough, Drax and Thorpe Marsh.

The transfer is intended to build up power station stocks, depleted earlier in the year, in preparation for the winter. Stocks *at* power stations throughout the country are much lower than last year, while pithead stocks are higher.

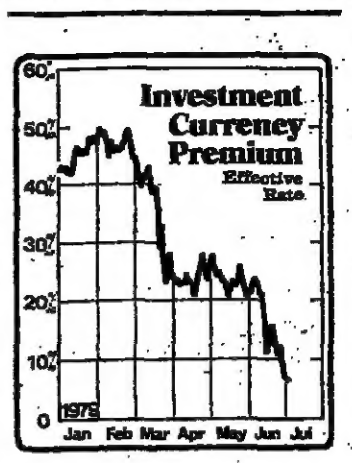
Editorial comment Page 22

THE LEX COLUMN

Critical days for the \$ premium

Black humour was rife among dealers in investment currency *yesterday as they contemplated* the axe hanging over their jobs. The effective premium dropped to around 5¼ per cent at one stage before rallying to 6¼ per cent at the close: for comparison, the 1979 peak touched at the end of February was 49¼ per cent. One essential precondition for the abolition of investment currency is that the premium *should have dropped* to a level low enough to avoid serious overnight losses. It is a precondition which was unsatisfied at the time of the Budget—when the effective premium was still over 20 per cent—but which has now been fulfilled.

Index fell 5.6 to 473.9



There is, of course, no *guarantee* that the Government will seize the present opportunity. Civil servants are highly reluctant to dismantle a system which has been tuned and perfected over several decades. There were some professional buyers of investment currency around yesterday, taking the view that much of the recent selling has been panicky and that if the premium survives it will soon go back to a usefully higher level. Maybe the Government will adopt a compromise whereby the premium will disappear but the mechanism will remain in being, at least until someone complains that a creaking bureaucracy is being maintained in being to no purpose. Meantime the investment currency market lives on from day to day.

Forward cover

Relax exchange controls on portfolio investment, the theory goes, and the resulting outflow will make the sterling exchange rate more bearable for British exporters. There is, however, a neglected aspect of exchange control which has a more direct bearing on the exporters' problem. British companies are only allowed to use the forward exchange markets to secure their sterling receipts on existing export contracts: they cannot, for instance, arrange forward cover on dollar revenues which they confidently expect to receive over the next year.

The forward market is offering a remarkable, but forbidden, bargain to the British exporter at the moment. If he had sold \$1000 yesterday in the spot *market he would have received* £449, but if he had been able to sell the same sum for delivery in a year's time he would have guaranteed himself receipt of £459. This seems completely illogical at a time when sterling is rising. The reason is that the forward market reconciles exchange rate expectations with interest rate differences—and British interest rates are relatively high at the moment.

The Swiss are expert at living with unnaturally strong currencies. The National Bank positively encourages Swiss exporters to cover themselves forward for up to two years. Since last December it has been running an imaginative insurance scheme to help them tap this market. For a fee, the central bank agrees to supply an exporter with the foreign exchange he needs to meet his forward exchange contracts, should his foreign currency revenues fail to live up to expectations. Perhaps the Treasury should take a leaf out out of the Swiss book.

Charter Consolidated

Charter Consolidated has reported pre-tax profits up 3 per cent at £44.5m, largely thanks to the unusually heavy first-half sales of portfolio investments—gold shares and some additional premium currency. But the principal feature of its profit and loss account is the disappearance of yet more cash down the Cleveland Potash mine, owned jointly with ICI.

Charter's share of losses dur*ing the 9 months of the mine's* operations last year came to £5.8m, and it has written off its entire investment in the project for a further £30.2m below the line. Luckily, the write-offs are to some extent offset by a tax clawback from the group's provision against its Zaire mine last year; otherwise there would be a substantial transfer out of the reserves, as there was in 1977/78.

Cleveland is still losing money and the production targets for the end of this year, which would take the operation to break-even point before finance costs, may well not be met. Strong sterling is helping importers of potash and it would not be surprising if Charter pulled out of the venture.

In the current year investment sales will be sharply down, and even given some growth from the trading businesses and higher dividends from the Anglo-American holdings, it looks as though Charter's chances of raising earnings per share depend on its tax charge. But the yield of 9.3 per cent on a maintained gross dividend is a *solid* prop to the shares, and the group has a strong portfolio and plenty of cash to set against its recent unhappy record in mining ventures.

BAT Unilever

The proposed merger between the UK food retailing interests of BAT and Unilever looks like a great deal—for Unilever. Its MacMarkets subsidiary is in the black, but only just, and would have required a lot of new investment if it had been kept on in its present shape. Instead it is going to be taken over by International Stores, BAT's subsidiary, in a paper transaction which gives either party an option to be exercised in 1983 for BAT to buy out Unilever's minority holding in International Stores. The price will be £40m, or an *agreed price* earnings multiple if that turns out to be more.

On a discounted basis, the £40m values MacMarkets at *roughly its net asset value*, and even if it were capable of earning Tesco-style margins (which it is not) the discounted price would represent maybe six *times its pre-tax profits*.

What is BAT up to? The merger should bring cost savings, and several hundred redundancies have already been announced. *But it bears all the* signs of a compromise. BAT has shied away from the idea of a really big acquisition to set International Stores on its *feet, but has felt unable to leave* the business in its present unsatisfactory shape. Meanwhile it is being shown a clean pair of heels by Tesco, Sainsbury and Asda, which are embarking on enormous expansion programmes. This can only put more pressure on International Stores' much smaller outlets.

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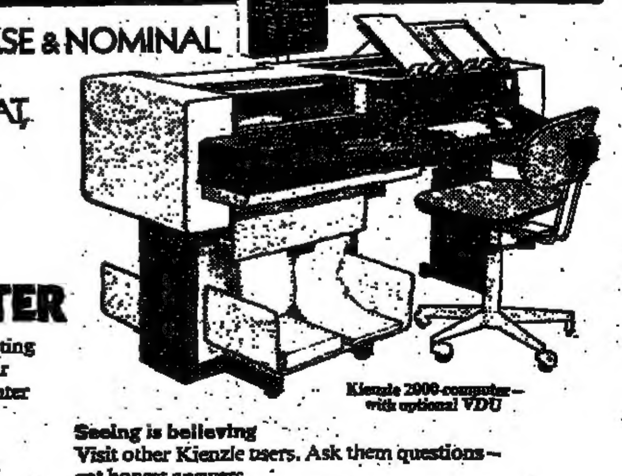

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